

Mr. WHERRY. No. He agreed that any of the measures I have indicated could be brought up next week. He did not agree to give unanimous consent for their consideration. I did not ask that, as I did not think it necessary. But I am satisfied the arrangement will be perfectly agreeable to the minority leader.

Mr. HATCH. But the Senator from Kentucky understood the program, did he?

Mr. WHERRY. Yes; no doubt of it.

Mr. HATCH. That is all I wanted to know.

Mr. WHERRY. Mr. President, the Senate is pretty well caught up on its calendars. With the exception of a treaty, we have cleared the Executive Calendar. With the exception of old bills, the Legislative Calendar, from the point where it was last considered on March 29, has, I think, only about a dozen bills on it. It is not my purpose therefore to ask for a call of the Legislative Calendar until the Senate convenes next week and after proper notice. There are not very many bills on the calendar. I think notice to this effect should be given to Senators.

Mr. President, having in mind that our calendars are pretty well cleared, and in view of the fact that there is much important legislation now under consideration by the Appropriations and the Armed Services Committees, I move that the Senate recess until Tuesday next at noon.

The motion was agreed to; and (at 5 o'clock and 44 minutes p. m.) the Senate took a recess until Tuesday, April 6, 1948, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate, April 2 (legislative day of March 29), 1948:

##### UNITED STATES DISTRICT JUDGE

Wilson Warlick, of North Carolina, to be United States district judge for the western district of North Carolina, vice Hon. Edwin Y. Webb, retired.

##### UNITED STATES ATTORNEY

Brian S. Odem, of Texas, to be United States attorney for the southern district of Texas. (Mr. Odem is now serving in this office under an appointment which expires May 9, 1948.)

##### UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidate for appointment in the Regular Corps of the Public Health Service:

To be medical director (equivalent to the Army rank of colonel), effective date of acceptance:

Sanford M. Rosenthal

#### CONFIRMATIONS

Executive nominations confirmed by the Senate April 2 (legislative day of March 29), 1948:

##### CIVIL AERONAUTICS BOARD

Joseph J. O'Connell, Jr., to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1953.

##### COAST AND GEODETIC SURVEY

Elliott B. Roberts, to be a commander in the Coast and Geodetic Survey, to rank from March 1, 1948.

Roswell C. Bolstad, to be a lieutenant commander in the Coast and Geodetic Survey, to rank from March 1, 1948.

Harley D. Nygren, to be an ensign in the Coast and Geodetic Survey, from March 8, 1948.

#### POSTMASTERS

##### MARYLAND

Charles A. Snively, Baldwin.  
C. Gorman Griffith, Gaithersburg.  
Calvin Burns, Grasonville.  
Milton W. Corkran, Mount Wilson.  
William E. Spoerlein, Oakland.  
Joseph B. Rawson, Salisbury.  
Edward P. Harris, Snow Hill.  
Maybelle R. Baker, Union Bridge.

##### NEW MEXICO

Alorie V. Young, Hollywood.  
Mary L. Mitchell, Oil Center.  
Antonio J. Trujillo, Questa.  
Paul Madrid, Vaughn.

##### NORTH CAROLINA

Ben B. Jaynes, Autryville.  
Raeford E. Brown, Burgaw.  
Claiborne R. Oakley, Carrboro.  
Lacy E. Price, Cliffside.  
William E. Newton, Currie.  
Henry D. Johnson, Farmville.  
Thurman R. Smith, Hazelwood.  
Columbus Few, Hendersonville.  
Robert Willis Pope, Lucama.  
Robert H. Ballew, Nebo.  
William Lester Farrell, Pittsboro.

##### SOUTH CAROLINA

James D. Watson, Blaney.  
Jesse W. Parris, Clifton.  
Della S. Beaty, Crescent Beach.  
John Woods, Marion.  
Alfred D. Parker, Sr., Pacolet Mills.  
Raymond W. Coleman, Pamlico.  
Helen A. Geraty, Yonges Island.

##### VERMONT

John J. Burns, Burlington.  
John R. Kennett, Montgomery Center.

## HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 2, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou Ancient of Days, whose love hath begotten us, to know Thee is blessed contemplation and to serve Thee is perfect freedom. In the perils of this life we are safe, not in our own virtue or wisdom, nor in any power we may possess, but in the plenitude of Thy mercy.

Thou hast put the keys of our Nation's life and destiny in our hands; shame upon any who seek to deny the privileges of our Republic to gratify their own selfish aims, as they talk in a wilderness of confusion. O remove the clouds which have been woven out of the warp and woof of hate and unrighteous ambition, that our priceless gifts of peace and freedom may survive. Lead us ever to praise the power that made us free, and bless the flag which declares to the world our national honor. Each day may we be united in purpose, strong and confident in Thee, and Thine shall be the praise forever.

Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the

House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 30, 1948:

H. R. 1809. An act to facilitate the use and occupancy of national-forest lands, and for other purposes; and

H. R. 5856. An act to extend for a temporary period the provisions of the District of Columbia Emergency Rent Act.

On March 31, 1948:

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; and

H. J. Res. 355. Joint resolution making appropriations for foreign aid, welfare of Indians, and refunding internal-revenue collections.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 472. An act to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; and

S. Con. Res. 46. Concurrent resolution providing for the printing of additional copies of Senate Report No. 986, on labor-management relations.

#### CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously, a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 38]

Andrews, Ala.	Hendricks	Rains
Bland	Jackson, Calif.	Richards
Blatnik	Jarman	Rizley
Boykin	Jenkins, Pa.	Rooney
Buck	Lesinski	Shafer
Buckley	McMillen, Ill.	Sikes
Chapman	Manasco	Stratton
Cole, N. Y.	Morgan	Taylor
Cox	Norrell	Thomas, N. J.
Dingell	O'Toole	Vursell
Grant, Ala.	Owens	
Hartley	Passman	

The SPEAKER. On this roll call, 398 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE TAX-REDUCTION BILL—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 589)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 4790, entitled "An act to reduce individual income-tax payments, and for other purposes."



It is a matter of deep regret to me that I am compelled to take this action. If I could conscientiously approve tax reductions, I would gladly do so. But I am convinced that to reduce the income of the Government by \$5 billion at this time would exhibit a reckless disregard for the soundness of our economy and the finances of our Government.

All of us are aware that the world situation is one of uncertainty and, indeed, of danger. The United States, in common with other free nations, is taking positive action on many fronts to preserve conditions of peace with justice against the forces of dissension and chaos. In this endeavor, as I stated in my address to the Congress on March 17, 1948, "the United States has a tremendous responsibility to act according to the measure of our power for good in the world."

Under these conditions, the primary test which I must apply in considering this bill is whether or not it would contribute to the strength of the United States. My fundamental objection to the bill is that it would not strengthen, but instead would weaken, the United States.

This is true for two reasons.

First, the bill would reduce Government revenues to such an extent as to make likely a deficit in Government finances at a time when responsible conduct of the financial affairs of this Nation requires a substantial surplus in order to reduce our large public debt and to be reasonably prepared against contingencies.

Second, the bill would greatly increase the danger of further inflation, by adding billions of dollars of purchasing power at a time when demand already exceeds supply at many strategic points in the economy, and when Government expenditures are necessarily rising.

The estimates of Government expenditures for the fiscal year 1949 which I submitted to the Congress in January totaled \$39.7 billion. Receipts were estimated at \$44.5 billion, leaving a surplus of \$4.8 billion for debt retirement and contingencies.

It has since become apparent that despite the most stringent efforts toward economy, there will be several important increases in expenditures above the January estimates. Legislation has been enacted increasing payments to veterans. Larger amounts will be required for assistance to certain foreign countries. Legislation to increase the salaries of Federal employees is being considered. It has been necessary to recommend substantial additional appropriations to the Congress to bring our armed forces to a proper strength.

Altogether these increases, after taking due account of appropriation actions by the Congress to date and of the additional tax refunds which would occur under this bill, involve additional expenditures for the fiscal year 1949 of at least \$3.5 billion above the January estimates. In the fiscal year 1950, these additional programs would increase expenditures by another \$2 billion, or by a total of \$5.5 billion. It is clear that, if this bill which reduces taxes by \$5 billion were to become law, there would in

fact be a deficit in the fiscal year 1949 even under the more optimistic estimates of revenue used by the congressional committees.

The Congress proposes to extricate itself from this situation by charging \$3 billion of 1949 expenditures under the European recovery program against the 1948 revenues. This might avoid a deficit in 1949. But the facts cannot be obscured by the fiscal sleight-of-hand by which a prospective deficit in 1949 is made to appear as a surplus. Actually, the surplus available for debt retirement for the 2 years 1948 and 1949 would not be affected in the slightest by such a shift in accounting.

The public debt is \$253 billion. I repeat what I have so often said before—if we do not reduce the public debt by substantial amounts during a prosperous period such as the present, there is little prospect that it will ever be materially reduced.

I am aware that some hold the view that it would be proper to reduce taxes now, and that it will be time enough to restore adequate Federal revenues when the full extent and cost of our commitments are more definitely determined. I cannot subscribe to such an erratic and vacillating tax policy. We already know enough about the Government's financial outlook to demonstrate the serious effects of reducing revenues now by \$5 billion. The additional expenditures which are in prospect, although not exactly determined as to amount, are of sufficient size to make clear the short-sightedness of cutting taxes at the very time our obligations are increasing. If I endorsed tax reduction now, knowing that to do so would in all likelihood mean increased taxes next year, I would not be dealing fairly with the American people.

This bill would undermine the soundness of our Government finances at a time when world peace depends upon the strength of the United States.

It would also gamble with the dangers of further inflation. I have urged on many occasions that steps be taken to relieve the distressing effects of high prices. Since these steps have not been taken, the most important force restraining inflation has been the Government surplus and the use of this surplus to reduce the public debt. This bill would reduce or eliminate this important weapon against inflation.

It has been argued that tax reduction now would furnish incentives for more active investment and business enterprise and, consequently, more production. The plain facts show that neither funds nor profit incentives are lacking for investment and business enterprise at present tax rates.

Industrial expenditures for new plant and equipment reached the record level of more than \$16 billion in 1947, contrasted with \$12 billion in 1946 and \$8 billion in 1941. Preliminary estimates indicate that industrial expenditures for new plant and equipment during the first quarter of 1948 ran much higher than the average for 1947.

Corporate profits were at extraordinary levels during 1947, reaching \$17.3 billion after taxes, contrasted with a previous peak of \$12.5 billion in 1946.

Preliminary estimates indicate that corporate profits during the first quarter of 1948 have substantially maintained the very high level of 1947.

The national income is at a record level. Employment is at a record level. Production is at a record peacetime level. The resources and labor force of this country are fully employed. Under these circumstances, tax reduction could only result in higher prices—not in higher production.

From the viewpoint of the average family, which spends most of its income to buy the necessities of life, the kind of tax reduction which this bill provides would be an evil in disguise. Inflation is still here, and the cost of living has not descended to reasonable levels. The consumers' price index, which was 159 for 1947 as a whole, was 167.5 in February 1948, and preliminary figures indicate that it was even higher in March. A large tax reduction at this time would help to drive the cost of living still higher.

With wise and careful planning the American tax system can make an important contribution to economic progress. But if we dissipate the strength of our revenue system by ill-timed tax reduction, we shall sacrifice for many years our opportunities to lay a solid foundation for a more effective tax system. Major reforms are needed in all important areas of the Federal tax system—excise taxes, corporate taxes, individual income taxes, and estate and gift taxes. The enactment of H. R. 4790 would, by prematurely weakening the tax system, not only aggravate our immediate problems but also constitute a serious obstacle in the path of realizing many urgently needed fundamental tax reforms.

The tax reduction provided by this bill is inequitable as well as untimely.

In the case of the income tax, nearly forty percent of the reduction would go to individuals with net incomes in excess of \$5,000, who constitute less than 5 percent of all taxpayers.

In the case of the estate and gift taxes, nearly all of the \$250 million annual reduction would go to only about 12,000 of the most wealthy families. The discovery that it is possible to make very substantial savings in the gift and estate taxes by dividing a family's wealth between husband and wife has brought forth much ingenious argument to the effect that the provisions in this bill are needed to equalize the application of these taxes in community-property and common-law States. In fact, this equalization was in all essential respects achieved by legislation enacted by the Congress in 1942.

For the reasons I have set forth, H. R. 4790 is not compatible with the requirements of the critical international situation. It is not compatible with sound domestic economic and debt-management policies. If enacted, it would materially weaken this Nation's efforts to maintain peace abroad and prosperity at home.

It is bad policy to reduce taxes in a manner which would encourage inflation and bring greater hardship, not relief, to our people. It is bad policy to



endanger the soundness of our national finances at a time when our responsibilities are great in an unsettled world.

I am confident that the men and women of our country prefer the maintenance of our national strength to a reduction in taxes under the present circumstances.

I consider it my clear duty, therefore, to return H. R. 4790 without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, April 1, 1948.

The SPEAKER. The objections of the President will be spread at large upon the Journal and the bill and message will be printed as a House document.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Mr. KNUTSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken; and there were—yeas 311, nays 88, not voting 32, as follows:

[Roll No. 39]

YEAS—311

Abbutt	Crow	Hedrick
Abernethy	Cunningham	Herter
Allen, Calif.	Curtis	Heseltun
Allen, Ill.	Dague	Hess
Allen, La.	Davis, Ga.	Hill
Almond	Davis, Tenn.	Hinshaw
Anderson, Calif.	Davis, Wis.	Hoeven
Andresen	Dawson, Utah	Hoffman
August H.	Devitt	Holmes
Andrews, N. Y.	D'Ewart	Hope
Angell	Dirksen	Horan
Arends	Dolliver	Hull
Arnold	Domengeaux	Jackson, Wash.
Auchincloss	Dondero	Javits
Bakewell	Donohue	Jenison
Banta	Doughton	Jenkins, Ohio
Barden	Durham	Jennings
Barrett	Eaton	Jensen
Bates, Mass.	Elliott	Johnson, Calif.
Battle	Ellis	Johnson, Ill.
Beall	Ellsworth	Johnson, Ind.
Bender	Elsasser	Johnson, Okla.
Bennett, Mich.	Elston	Jones, Ala.
Bennett, Mo.	Engel, Mich.	Jones, N. C.
Bishop	Fallon	Jones, Wash.
Blackney	Fellows	Jonkman
Boggs, Del.	Fenton	Judd
Boggs, La.	Fisher	Kean
Bolton	Fletcher	Kearney
Bonner	Folger	Kearns
Bradley	Foot	Keating
Bramblett	Fuller	Keefe
Brehm	Fulton	Kelley
Brooks	Gallagher	Kerr
Brophy	Gamble	Kersten, Wis.
Brown, Ga.	Garmatz	Kilburn
Brown, Ohio	Gary	Kilday
Bryson	Gathings	Knutson
Buffett	Gavin	Kunkel
Bulwinkle	Gearhart	Landis
Burke	Gillie	Lane
Busbey	Gillie	Lanham
Butler	Goff	Larcade
Byrnes, Wis.	Goodwin	Latham
Camp	Gossett	Lea
Canfield	Graham	LeCompte
Carson	Grant, Ind.	LeFevre
Case, N. J.	Griffiths	Lemke
Case, S. Dak.	Gross	Lewis
Chadwick	Gwinn, N. Y.	Lichtenwalter
Chenoweth	Gwynne, Iowa	Lodge
Chiperfield	Hagen	Love
Church	Hale	Lucas
Clason	Hall	Lyle
Clevenger	Edwin Arthur	McConnell
Clippinger	Hall	McCowan
Coffin	Leonard W.	McCulloch
Cole, Kans.	Halleck	McDonough
Cole, Mo.	Hand	McDowell
Colmer	Harness, Ind.	McGarvey
Corbett	Harris	McGregor
Cotton	Hart	McMahon
Coudert	Harvey	McMillan, S. C.
Cravens	Hays	Mack
Crawford	Hébert	MacKinnon

Macy	Ramey
Maloney	Rankin
Martin, Iowa	Redden
Mason	Reed, Ill.
Mathews	Reed, N. Y.
Meade, Ky.	Rees
Meade, Md.	Reeves
Merron	Regan
Meyer	Rich
Michener	Riehlman
Miller, Conn.	Riley
Miller, Md.	Rivers
Miller, Nebr.	Robertson
Mills	Rockwell
Mitchell	Rogers, Fla.
Morris	Rogers, Mass.
Morrison	Rohrbough
Muhlenberg	Ross
Mundt	Russell
Murray, Tenn.	Sadlak
Murray, Wis.	St. George
Nicholson	Sanborn
Nixon	Sarbacher
Nodar	Sasscer
Norblad	Schwabe, Mo.
O'Hara	Schwabe, Okla.
O'Konski	Scoblick
Pace	Scott, Hardie
Patterson	Scott
Peterson	Hugh D., Jr.
Philbin	Scrivner
Phillips, Calif.	Seely-Brown
Phillips, Tenn.	Sheppard
Ploeser	Short
Plumley	Simpson, Ill.
Potter	Simpson, Pa.
Potts	Smith, Kans.
Poulson	Smith, Maine
Preston	Smith, Ohio
Price, Fla.	Smith, Wis.

NAYS—88

Albert	Fernandez	McCormack
Andersen	Flannagan	Madden
H. Carl	Fogarty	Mahon
Bates, Ky.	Forand	Mansfield
Beckworth	Gordon	Marcantonio
Bell	Gore	Miller, Calif.
Blatnik	Gorski	Monroney
Bloom	Granger	Morton
Buchanan	Gregory	Multer
Burleson	Hardy	Murdoch
Byrne, N. Y.	Harless, Ariz.	Norton
Cannon	Harrison	O'Brien
Carroll	Havener	Patman
Celler	Heffernan	Peden
Chelf	Hobbs	Pfeiffer
Clark	Hollifield	Pickett
Combs	Huber	Poage
Cooley	Isacson	Powell
Cooper	Johnson, Tex.	Price, Ill.
Courtney	Karsten, Mo.	Priest
Crosser	Kee	Rayburn
Dawson, Ill.	Kefauver	Sabath
Deane	Kennedy	Sadowski
Delaney	Keogh	Smathers
Dorn	King	Smith, Va.
Douglas	Kirwan	Somers
Eberhart	Klein	Spence
Engle, Calif.	Ludlow	Stigler
Evins	Lusk	Trimble
Feighan	Lynch	

NOT VOTING—32

Andrews, Ala.	Hendricks	Passman
Bland	Jackson, Calif.	Rains
Boykin	Jarman	Richards
Buck	Jenkins, Pa.	Rizley
Buckley	Lesinski	Rooney
Chapman	McMillen, Ill.	Shafer
Cole, N. Y.	Manasco	Sikes
Cox	Morgan	Stratton
Dingell	Norrell	Taylor
Grant, Ala.	O'Toole	Thomas, N. J.
Hartley	Owens	

So, two-thirds having voted in favor of, the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

On this vote:

Mr. Chapman and Mr. Owens for, with Mr. Rooney against.

Mr. Sikes and Mr. Rizley for, with Mr. Morgan against.

Mr. Shafer and Mr. Passman for, with Mr. Dingell against.

Mr. McMillen of Illinois and Mr. Buck for, with Mr. Lesinski against.

Mr. Cox and Mr. Stratton for, with Mr. Buckley against.

Mr. Jenkins of Pennsylvania and Mr. Richards for, with Mr. O'Toole against.

Mr. Boykin and Mr. Hartley for, with Mr. Bland against.

General pairs:

Mr. Cole of New York with Mr. Norrell.

Mr. Taylor with Mr. Andrews of Alabama.

Mr. Jackson of California with Mr. Rains.

Mr. Thomas of New Jersey with Mr. Manasco.

The result of the vote was announced as above recorded.

#### LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to announce the program for the balance of today and for next week.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, after the conference report on the foreign-aid bill is disposed of, so far as I know, there is no further business for today. I might advise that a record vote is expected on the conference report.

Later in the day I shall ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday next. I also intend to ask unanimous consent that the Consent Calendar may be called on Tuesday, so that on Tuesday of next week, both the Consent Calendar and the Private Calendar will be called.

On Wednesday it is expected that we will take up H. R. 5098, the so-called hoof-and-mouth-disease research bill.

On Thursday we expect to take up H. R. 5888, to extend the Federal-Aid Highway Act.

The business for Friday is undetermined.

#### FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I call up the conference report on the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, and ask unanimous consent that the statement of the Managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio.

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendments of the House to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic



conditions essential to a peaceful and prosperous world, having met, after full and free conference, have agreed to recommend, and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter inserted by the Senate amendment and the House amendment, insert the following:

"That this Act may be cited as the 'Foreign Assistance Act of 1948'."

#### "TITLE I

"Sec. 101. This title may be cited as the 'Economic Cooperation Act of 1948'."

#### "Findings and declaration of policy

"Sec. 102. (a) Recognizing the intimate economic and other relationships between the United States and the nations of Europe, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through a joint organization to exert sustained common efforts as set forth in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, which will speedily achieve that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

#### "Purposes of title

"(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title, by—

"(1) promoting industrial and agricultural production in the participating countries;

"(2) furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and

"(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

#### "Participating countries

"Sec. 103. (a) As used in this title, the term 'participating country' means—

"(1) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947; and

"(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration;

provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title.

"(b) Until such time as the Free Territory of Trieste or either of its zones becomes eligible for assistance under this title as a participating country, assistance to the Free Territory of Trieste, or either of its zones, is hereby authorized under the Foreign Aid Act of 1947 until June 30, 1949, and the said Foreign Aid Act of 1947 is hereby amended accordingly, and not to exceed \$20,000,000 out of funds authorized to be advanced by the Reconstruction Finance Corporation under subsection (a) of section 114 of this title, or under subsection (d) of section 11 of the Foreign Aid Act of 1947 notwithstanding any appropriation heretofore made under such Act, may be utilized for the purposes of this subsection: *Provided*, That section 11 (b) of the Foreign Aid Act of 1947 shall not apply in respect of the Free Territory of Trieste or either of its zones: *And provided further*, That the provisions of section 115 (b) (6) of this title shall apply to local currency deposited pursuant to section 5 (b) of that Act.

#### "Establishment of Economic Cooperation Administration

"Sec. 104. (a) There is hereby established, with its principal office in the District of Columbia, an agency of the Government which shall be known as the Economic Cooperation Administration, hereinafter referred to as the Administration. The Administration shall be headed by an Administrator for Economic Cooperation, hereinafter referred to as the Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$20,000 per annum. The Administrator shall be responsible to the President and shall have a status in the executive branch of the Government comparable to that of the head of an executive department. Except as otherwise provided in this title, the administration of the provisions of this title is hereby vested in the Administrator and his functions shall be performed under the control of the President.

"(b) There shall be in the Administration a Deputy Administrator for Economic Cooperation who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$17,500 per annum. The Deputy Administrator for Economic Cooperation shall perform such functions as the Administrator shall designate, and shall be Acting Administrator for Economic Cooperation during the absence or disability

of the Administrator or in the event of a vacancy in the office of Administrator.

"(c) The President is authorized, pending the appointment and qualification of the first Administrator or Deputy Administrator for Economic Cooperation appointed hereunder, to provide, for a period of not to exceed thirty days after the date of enactment of this Act, for the performance of the functions of the Administrator under this title through such departments, agencies, or establishments of the United States Government as he may direct. In the event the President nominates an Administrator or Deputy Administrator prior to the expiration of such thirty-day period, the authority conferred upon the President by this subsection shall be extended beyond such thirty-day period but only until an Administrator or Deputy Administrator qualifies and takes office.

"(d) (1) The Administrator, with the approval of the President, is hereby authorized and empowered to create a corporation with such powers as the Administrator may deem necessary or appropriate for the accomplishment of the purposes of this title.

"(2) If a corporation is created under this section—

"(i) it shall have the power to sue and be sued, to acquire, hold, and dispose of property, to use its revenues, to determine the character of any necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid, and to exercise such other powers as may be necessary or appropriate to carry out the purposes of the corporation;

"(ii) its powers shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charter shall be valid only when similarly filed and published;

"(iii) it shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to Act of Congress; and

"(iv) it shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of such Act.

"(3) All capital stock of the corporation shall be of one class, be issued for cash only, and be subscribed for by the Administrator. Payment for such capital stock shall be made from funds available for the purposes of this title.

"(e) Any department, agency, or establishment of the Government (including, whenever used in this title, any corporation which is an instrumentality of the United States) performing functions under this title is authorized to employ, for duty within the continental limits of the United States, such personnel as may be necessary to carry out the provisions and purposes of this title, and funds available pursuant to section 114 of this title shall be available for personal services in the District of Columbia and elsewhere without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219). Of such personnel employed by the Administration, not to exceed one hundred may be compensated without regard to the provisions of the Classification Act of 1923, as amended, of whom not more than twenty-five may be compensated at a rate in excess of \$10,000 per annum, but not in excess of \$15,000 per annum. Experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (U. S. C., title 5, sec. 55a), may be employed by the Administration, and individuals so employed may be compensated at rates not in excess of \$50 per diem and while away from their homes or regular places of business, they may be paid actual travel expenses and



not to exceed \$10 per diem in lieu of subsistence and other expenses while so employed.

"(f) The Administrator may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out his functions under this title, and he may delegate authority to perform any of such functions to his subordinates, acting under his direction and under rules and regulations promulgated by him.

#### "General functions of Administrator

"Sec. 105. (a) The Administrator, under the control of the President, shall in addition to all other functions vested in him by this title—

"(1) review and appraise the requirements of participating countries for assistance under the terms of this title;

"(2) formulate programs of United States assistance under this title, including approval of specific projects which have been submitted to him by the participating countries;

"(3) provide for the efficient execution of any such programs as may be placed in operation; and

"(4) terminate provision of assistance or take other remedial action as provided in section 118 of this title.

"(b) In order to strengthen and make more effective the conduct of the foreign relations of the United States—

"(1) the Administrator and the Secretary of State shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other;

"(2) whenever the Secretary of State believes that any action, proposed action, or failure to act on the part of the Administrator is inconsistent with the foreign-policy objectives of the United States, he shall consult with the Administrator and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision;

"(3) whenever the Administrator believes that any action, proposed action, or failure to act on the part of the Secretary of State in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with the Secretary of State and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

"(c) The Administrator and the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, shall keep each other fully and currently informed on matters, including prospective action, arising within the scope of their respective duties which are pertinent to the duties of the other. Whenever the Administrator believes that any action, proposed action, or failure to act on the part of such department, agency, or officer in performing functions under this title is inconsistent with the purposes and provisions of this title, he shall consult with such department, agency, or officer and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

#### "NATIONAL ADVISORY COUNCIL

"Sec. 106. Section 4 (a) of the Bretton Woods Agreements Act (59 Stat. 512, 513) is hereby amended to read as follows:

"Sec. 4. (a) In order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange or monetary transactions, there is hereby established the National Ad-

visory Council on International Monetary and Financial Problems (hereinafter referred to as the "Council"), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank of Washington, and during such period as the Economic Cooperation Administration shall continue to exist, the Administrator for Economic Cooperation."

#### "Public Advisory Board

"Sec. 107. (a) There is hereby created a Public Advisory Board, hereinafter referred to as the Board, which shall advise and consult with the Administrator with respect to general or basic policy matters arising in connection with the Administrator's discharge of his responsibilities. The Board shall consist of the Administrator, who shall be Chairman, and not to exceed twelve additional members to be appointed by the President, by and with the advice and consent of the Senate, and who shall be selected from among citizens of the United States of broad and varied experience in matters affecting the public interest, other than officers and employees of the United States (including any agency or instrumentality of the United States) who, as such, regularly receive compensation for current services. The Board shall meet at least once a month and at other times upon the call of the Administrator or when three or more members of the Board request the Administrator to call a meeting. Not more than a majority of two of the members shall be appointed to the Board from the same political party. Members of the Board, other than the Administrator, shall receive, out of funds made available for the purposes of this title, a per diem allowance of \$50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the Board, or at conferences held upon the call of the Administrator, and in necessary travel, and while so engaged, they may be paid actual travel expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses.

"(b) The Administrator may appoint such other advisory committees as he may determine to be necessary or desirable to effectuate the purposes of this title.

#### "United States special representative abroad

"Sec. 108. There shall be a United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowance as a chief of mission, class 1, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. He shall be the representative of the Administrator, and shall also be the chief representative of the United States Government to any organization of participating countries which may be established by such countries to further a joint program for European recovery, and shall discharge in Europe such additional responsibilities as may be assigned to him with the approval of the President in furtherance of the purposes of this title. He may also be designated as the United States representative on the Economic Commission for Europe. He shall receive his instructions from the Administrator and such instructions shall be prepared and transmitted to him in accordance with procedures agreed to between the Administrator and the Secretary of State in order to assure appropriate coordination as provided by subsection (b) of section 105 of this title. He shall coordinate the activities of the chiefs of special missions provided for in section 109 of this title. He shall keep the Administrator, the Secretary

of State, the chiefs of the United States diplomatic missions, and the chiefs of the special missions provided for in section 109 of this title currently informed concerning his activities. He shall consult with the chiefs of all such missions, who shall give him such cooperation as he may require for the performance of his duties under this title.

#### "Special ECA missions abroad

"Sec. 109. (a) There shall be established for each participating country, except as provided in subsection (d) of this section, a special mission for economic cooperation under the direction of a chief who shall be responsible for assuring the performance within such country of operations under this title. The chief shall be appointed by the Administrator, shall receive his instructions from the Administrator, and shall report to the Administrator on the performance of the duties assigned to him. The chief of the special mission shall take rank immediately after the chief of the United States diplomatic mission in such country.

"(b) The chief of the special mission shall keep the chief of the United States diplomatic mission fully and currently informed on matters, including prospective action, arising within the scope of the operations of the special mission and the chief of the diplomatic mission shall keep the chief of the special mission fully and currently informed on matters relative to the conduct of the duties of the chief of the special mission. The chief of the United States diplomatic mission will be responsible for assuring that the operations of the special mission are consistent with the foreign-policy objectives of the United States in such country and to that end whenever the chief of the United States diplomatic mission believes that any action, proposed action, or failure to act on the part of the special mission is inconsistent with such foreign-policy objectives, he shall so advise the chief of the special mission and the United States Special Representative in Europe. If differences of view are not adjusted by consultation, the matter shall be referred to the Secretary of State and the Administrator for decision.

"(c) The Secretary of State shall provide such office space, facilities, and other administrative services for the United States Special Representative in Europe and his staff, and for the special mission in each participating country, as may be agreed between the Secretary of State and the Administrator.

"(d) With respect to any of the zones of occupation of Germany and of the Free Territory of Trieste, during the period of occupation, the President shall make appropriate administrative arrangements for the conduct of operations under this title, in order to enable the Administrator to carry out his responsibility to assure the accomplishment of the purposes of this title.

#### "Personnel outside United States

"Sec. 110. (a) For the purpose of performing functions under this title outside the continental limits of the United States the Administrator may—

"(1) employ persons who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), together with allowances and benefits established thereunder; and

"(2) recommend the appointment or assignment of persons, and the Secretary of State may appoint or assign such persons, to any class in the Foreign Service Reserve or Staff for the duration of operations under this title, and the Secretary of State may assign, transfer, or promote such persons upon the recommendation of the Administrator. Persons so appointed to the Foreign Service Staff shall be entitled to the benefits



of section 528 of the Foreign Service Act of 1946.

"(b) For the purpose of performing functions under this title outside the continental limits of the United States, the Secretary of State may, at the request of the Administrator, appoint, for the duration of operations under this title, alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946 (60 Stat. 999).

"(c) No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Secretary of State or the Administrator under this title for a period to exceed three months unless such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State and the Administrator, and until the Secretary of State or the Administrator has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views. This subsection shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

*"Nature and method of assistance*

"Sec. 111. (a) The Administrator may, from time to time, furnish assistance to any participating country by providing for the performance of any of the functions set forth in paragraphs (1) through (5) of this subsection when he deems it to be in furtherance of the purposes of this title, and upon the terms and conditions set forth in this title and such additional terms and conditions consistent with the provisions of this title as he may determine to be necessary and proper.

"(1) Procurement from any source, including Government stocks on the same basis as procurement by Government agencies under Public Law 375 (Seventy-ninth Congress) for their own use, of any commodity which he determines to be required for the furtherance of the purposes of this title. As used in this title, the term "commodity" means any commodity, material, article, supply, or goods necessary for the purposes of this title.

"(2) Processing, storing, transporting, and repairing any commodities, or performing any other services with respect to a participating country which he determines to be required for accomplishing the purposes of this title. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this title and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

"(3) Procurement of and furnishing technical information and assistance.

"(4) Transfer of any commodity or service, which transfer shall be signified by delivery of the custody and right of possession and use of such commodity, or otherwise making available any such commodity, or by rendering a service to a participating country or to any agency or organization representing a participating country.

"(5) The allocation of commodities or services to specific projects designed to carry out the purposes of this title, which have been submitted to the Administrator by participating countries and have been approved by him.

"(b) In order to facilitate and maximize the use of private channels of trade, subject

to adequate safeguards to assure that all expenditures in connection with such procurement are within approved programs in accordance with terms and conditions established by the Administrator, he may provide for the performance of any of the functions described in subsection (a) of this section—

"(1) by establishing accounts against which, under regulations prescribed by the Administrator—

"(i) letters of commitment may be issued in connection with supply programs approved by the Administrator (and such letters of commitment, when issued, shall constitute obligations of the United States and monies due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940 and shall constitute obligations of applicable appropriations); and

"(ii) withdrawals may be made by participating countries, or agencies or organizations representing participating countries or by other persons or organizations, upon presentation of contracts, invoices, or other documentation specified by the Administrator under arrangements prescribed by the Administrator to assure the use of such withdrawals for purposes approved by the Administrator.

Such accounts may be established on the books of the Administration, or any other department, agency, or establishment of the Government specified by the Administrator, or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States under authority of this section may be accounted for exclusively on such certification as the Administrator may prescribe in regulations promulgated by him with the approval of the Comptroller General of the United States to assure expenditure in furtherance of the purposes of this title.

"(2) by utilizing the services and facilities of any department, agency, or establishment of the Government as the President shall direct, or with the consent of the head of such department, agency, or establishment, or, in the President's discretion, by acting in cooperation with the United Nations or with other international organizations or with agencies of the participating countries, and funds allocated pursuant to this section to any department, agency, or establishment of the Government shall be established in separate appropriation accounts on the books of the Treasury.

"(3) by making, under rules and regulations to be prescribed by the Administrator, guaranties to any person of investments in connection with projects approved by the Administrator and the participating country concerned as furthering the purposes of this title (including guaranties of investments in enterprises producing or distributing informational media: *Provided*, That the amount of such guaranties in the first year after the date of the enactment of this Act does not exceed \$15,000,000), which guaranties shall terminate not later than fourteen years from the date of enactment of this Act: *Provided*, That—

"(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator and shall be limited to the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as income from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof: *Provided*, That, when any payment is made to any person under

authority of this paragraph, such currencies, or credits in such currencies, shall become the property of the United States Government;

"(ii) the Administrator may charge a fee in an amount determined by him not exceeding 1 per centum per annum of the amount of each guaranty, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph; and

"(iii) as used in this paragraph, the term 'person' means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States.

The total amount of the guaranties made under this paragraph (3) shall not exceed \$300,000,000, and as such guaranties are made the authority to realize funds from the sale of notes for the purpose of allocating funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section shall be accordingly reduced. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected under subparagraph (ii) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes which shall be issued under authority of paragraph (2) of subsection (c) of this section when necessary to discharge liabilities under any such guaranty.

"(c) (1) The Administrator may provide assistance for any participating country, in the form and under the procedures authorized in subsections (a) and (b), respectively, of this section, through grants or upon payment in cash, or on credit terms, or on such other terms of payment as he may find appropriate, including payment by the transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the participating country) of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources. In determining whether such assistance shall be through grants or upon terms of payment, and in determining the terms of payment, he shall act in consultation with the National Advisory Council on International Monetary and Financial Problems, and the determination whether or not a participating country should be required to make payment for any assistance furnished to such country in furtherance of the purposes of this title, and the terms of such payment, if required, shall depend upon the character and purpose of the assistance and upon whether there is reasonable assurance of repayment considering the capacity of such country to make such payments without jeopardizing the accomplishment of the purposes of this title.

"(2) When it is determined that assistance should be extended under the provisions of this title on credit terms, the Administrator shall allocate funds for the purpose to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on terms specified by the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems. The Administrator is authorized to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$1,000,000,000 (1) for the purpose of allocating funds to the Export-Import Bank of Washington under this paragraph during



the period of one year following the date of enactment of this Act and (ii) for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section until all liabilities arising under guaranties made pursuant to such paragraph (3) have expired or have been discharged. Such notes shall be redeemable at the option of the Administrator before maturity in such manner as may be stipulated in such notes and shall have such maturity as may be determined by the Administrator with the approval of the Secretary of the Treasury. Each such note shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the note. Payment under this paragraph of the purchase price of such notes and repayments thereof by the Administrator shall be treated as public-debt transactions of the United States. In allocating funds to the Export-Import Bank of Washington under this paragraph, the Administrator shall first utilize such funds realized from the sale of notes authorized by this paragraph as he determines to be available for this purpose, and when such funds are exhausted, or after the end of one year from the date of enactment of this Act, whichever is earlier, he shall utilize any funds appropriated under this title. The Administrator shall make advances to, or reimburse, the Export-Import Bank of Washington for necessary administrative expenses in connection with such credits. Credits made by the Export-Import Bank of Washington with funds so allocated to it by the Administrator shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any credits made under this paragraph shall be deposited into miscellaneous receipts of the Treasury: *Provided*, That, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes authorized under this paragraph shall be deposited into the Treasury for the purpose of the retirement of such notes.

#### *"Protection of domestic economy"*

"Sec. 112. (a) The Administrator shall provide for the procurement in the United States of commodities under this title in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

"(b) The procurement of petroleum and petroleum products under this title shall, to the maximum extent practicable, be made from petroleum sources outside the United States; and, in furnishing commodities under the provisions of this title, the Administrator shall take fully into account the present and anticipated world shortage of petroleum and its products and the consequent undesirability of expansion in petroleum-consuming equipment where the use of alternate fuels or other sources of power is practicable.

"(c) In order to assure the conservation of domestic grain supplies and the retention in the United States of byproduct feeds necessary to the maintenance of the agricultural economy of the United States, the amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States wheat used to produce the wheat flour procured in the United States for transfer by grant to such countries under this title shall not be less than 25 per centum of the aggregate of the unprocessed wheat

and wheat in the form of flour procured in the United States for transfer by grant to such countries under this title.

"(d) The term 'surplus agricultural commodity' as used in this section is defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In providing for the procurement of any such surplus agricultural commodity for transfer by grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this title, give effect to the following:

"(1) The Administrator shall authorize the procurement of any such surplus agricultural commodity only within the United States: *Provided*, That this restriction shall not be applicable (i) to any agricultural commodity, or product thereof, located in one participating country, and intended for transfer to another participating country, if the Administrator, in consultation with the Secretary of Agriculture, determines that such procurement and transfer is in furtherance of the purposes of this title, and would not create a burdensome surplus in the United States or seriously prejudice the position of domestic producers of such surplus agricultural commodities, or (ii) if, and to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the participating countries under this title.

"(2) In providing for the procurement of any such surplus agricultural commodity, the Administrator shall, insofar as practicable and applicable, and after giving due consideration to the excess of any such commodity over domestic requirements, and to the historic reliance of United States producers of any such surplus agricultural commodity upon markets in the participating countries, provide for the procurement of each class or type of any such surplus agricultural commodity in the approximate proportion that the Secretary of Agriculture determines such classes or types bear to the total amount of excess of such surplus agricultural commodity over domestic requirements.

"(e) Whenever the Secretary of Agriculture determines that any quantity of any surplus agricultural commodity, heretofore or hereafter acquired by Commodity Credit Corporation in the administration of its price-support programs, is available for use in furnishing assistance to foreign countries, he shall so advise all departments, agencies, and establishments of the Government administering laws providing for the furnishing of assistance or relief to foreign countries (including occupied or liberated countries or areas of such countries). Thereafter the department, agency, or establishment administering any such law shall, to the maximum extent practicable, consistent with the provisions and in furtherance of the purposes of such law, and where for transfer by grant and in accordance with the requirements of such foreign country, procure or provide for the procurement of such quantity of such surplus agricultural commodity. The sales price paid as reimbursement to Commodity Credit Corporation for any such surplus agricultural commodity shall be in such amount as Commodity Credit Corporation determines will fully reimburse it for the cost to it of such surplus agricultural commodity at the time and place such surplus agricultural commodity is delivered by it, but in no event shall the sales price be higher than the domestic market price at such time and place of delivery as determined by the Secretary of Agriculture, and the Secretary of Agriculture may pay not to exceed 50 per centum of such sales price as authorized by subsection (f) of this section.

"(f) Subject to the provisions of this section, but notwithstanding any other provi-

sion of law, in order to encourage utilization of surplus agricultural commodities pursuant to this or any other Act providing for assistance or relief to foreign countries, the Secretary of Agriculture, in carrying out the purposes of clause (1), section 32, Public Law 320, Seventy-fourth Congress, as amended, may make payments, including payments to any government agency procuring or selling such surplus agricultural commodities, in an amount not to exceed 50 per centum of the sales price (basis free along ship or free on board vessel, United States ports), as determined by the Secretary of Agriculture, of such surplus agricultural commodities. The rescission of the remainder of section 32 funds by the Act of July 30, 1947 (Public Law 266, Eightieth Congress), is hereby canceled and such funds are hereby made available for the purposes of section 32 for the fiscal year ending June 30, 1948.

"(g) No export shall be authorized pursuant to authority conferred by section 6 of the Act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the department, agency, or officer in the executive branch of the Government exercising the authority granted to the President by section 6 of the Act of July 2, 1940, as amended, determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this title as determined by the Administrator: *Provided*, however, That such export may be authorized if such department, agency, or officer determines that such export is otherwise in the national interest of the United States.

"(h) In providing for the performance of any of the functions described in subsection (a) of section 111, the Administrator shall, to the maximum extent consistent with the accomplishment of the purposes of this title, utilize private channels of trade.

#### *"Reimbursement to Government agencies"*

"Sec. 113. (a) The Administrator shall make reimbursement or payment, out of funds available for the purposes of this title, for any commodity, service, or facility procured under section 111 of this title from any department, agency, or establishment of the Government. Such reimbursement or payment shall be made to the owning or disposal agency, as the case may be, at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to between the Administrator and such agency. The amount of any reimbursement or payment to an owning agency for commodities, services, or facilities so procured shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities or such services or facilities: *Provided*, That such commodities, services, or facilities may be procured from an owning agency only with the consent of such agency: *And provided further*, That where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that replacement of any commodity procured under authority of this section is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

"(b) The Administrator, whenever in his judgment the interests of the United States will best be served thereby, may dispose of any commodity procured out of funds made available for the purposes of this title, in lieu of transferring such commodity to a participating country, (1) by transfer of such commodity, upon reimbursement, to any department, agency, or establishment of the Government for use or disposal by such department, agency, or establishment as authorized by law, or (2) without regard to provisions of law relating to the disposal of



Government-owned property, when necessary to prevent spoilage or wastage of such commodity or to conserve the usefulness thereof. Funds realized from such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such commodity.

*"Authorization of appropriations*

"Sec. 114. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate \$1,000,000,000 to carry out the provisions of this title, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purposes of this title.

"(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the purposes of this title.

"(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952, to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That for carrying out the provisions and accomplishing the purposes of this title for the period of one year following the date of enactment of this Act, there are hereby authorized to be so appropriated not to exceed \$4,300,000,000. Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries. The authorization in this title is limited to the period of twelve months in order that subsequent Congresses may pass on any subsequent authorizations.

"(d) Funds made available for the purposes of this title shall be available for incurring and defraying all necessary expenses incident to carrying out the provisions of this title, including administrative expenses and expenses for compensation, allowances and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this title, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of government funds, as the Administrator shall specify in the interest of the accomplishment of the purposes of this title.

"(e) The unencumbered portions of any deposits which may have been made by any participating country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress) may be merged with the deposits to be made by such participating country in accordance with section 115 (b) (6) of this title, and shall be held or used under the

same terms and conditions as are provided in section 115 (b) (6) of this title.

"(f) In order to reserve some part of the surplus of the fiscal year 1948 for payments thereafter to be made under this title, there is hereby created on the books of the Treasury of the United States a trust fund to be known as the Foreign Economic Cooperation Trust Fund. Notwithstanding any other provision of law, an amount of \$3,000,000,000, out of sums appropriated pursuant to the authorization contained in this title shall, when appropriated, be transferred immediately to the trust fund, and shall thereupon be considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures. The Secretary of the Treasury shall be the sole trustee of the trust fund and is authorized and directed to pay out of the fund such amounts as the Administrator shall duly requisition. The first expenditures made out of the appropriations authorized under this title in the fiscal year 1949 shall be made with funds requisitioned by the Administrator out of the trust fund until the fund is exhausted, at which time such fund shall cease to exist. The provisions of this subsection shall not be construed as affecting the application of any provision of law which would otherwise govern the obligation of funds so appropriated or the auditing or submission of accounts of transactions with respect to such funds.

*"Bilateral and multilateral undertakings*

"Sec. 115. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this title. The Secretary of State, before an Administrator or Deputy Administrator shall have qualified and taken office, is authorized to negotiate and conclude such temporary agreements in implementation of subsection (b) of this section as he may deem necessary in furtherance of the purposes of this title: *Provided,* That when an Administrator or Deputy Administrator shall have qualified and taken office, the Secretary of State shall conclude the basic agreements required by subsection (b) of this section only after consultation with the Administrator or Deputy Administrator, as the case may be.

"(b) The provision of assistance under this title results from the multilateral pledges of the participating countries to use all their efforts to accomplish a joint recovery program based upon self-help and mutual cooperation as embodied in the report of the Committee of European Economic Cooperation signed at Paris on September 22, 1947, and is contingent upon continuous effort of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose. In addition to continued mutual cooperation of the participating countries in such a program, each such country shall conclude an agreement with the United States in order for such country to be eligible to receive assistance under this title. Such agreement shall provide for the adherence of such country to the purposes of this title and shall, where applicable, make appropriate provision, among others, for—

"(1) promoting industrial and agricultural production in order to enable the participating country to become independent of extraordinary outside economic assistance; and submitting for the approval of the Administrator, upon his request and whenever he deems it in furtherance of the purposes of this title, specific projects proposed by such country to be undertaken in substantial part with assistance furnished under this title, which projects, whenever practicable,

shall include projects for increased production of coal, steel, transportation facilities, and food;

"(2) taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system;

"(3) cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries;

"(4) making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this title, which use shall include, to the extent practicable, taking measures to locate and identify and put into appropriate use, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories and possessions;

"(5) facilitating the transfer to the United States by sale, exchange, barter, or otherwise for stock-piling or other purposes, for such period of time as may be agreed to and upon reasonable terms and in reasonable quantities, of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources, and which may be available in such participating country after due regard for reasonable requirements for domestic use and commercial export of such country;

"(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis. Such special account, together with the unencumbered portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress), shall be held or used within such country for such purposes as may be agreed to between such country and the Administrator in consultation with the National Advisory Council on International Monetary and Financial Problems, and the Public Advisory Board provided for in section 107 (a) for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for and development of new sources of wealth, or for such other expenditures as may be consistent with the purposes of this title, including local currency administrative expenditures of the United States incident to operations under this title, and under agreement that any unencumbered balance remaining in such account on June 30, 1952, shall be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution of the Congress, be agreed to between such country and the Government of the United States;

"(7) publishing in such country and transmitting to the United States, not less frequently than every calendar quarter after the date of the agreement, full statements of operations under the agreement, including a report of the use of funds, commodities, and services received under this title;

"(8) furnishing promptly, upon request of the United States, any relevant information



which would be of assistance to the United States in determining the nature and scope of operations and the use of assistance provided under this title;

"(9) recognizing the principle of equity in respect to the drain upon the natural resources of the United States and of the recipient countries, by agreeing to negotiate (a) a future schedule of minimum availabilities to the United States for future purchase and delivery of a fair share of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources at world market prices so as to protect the access of United States industry to an equitable share of such materials either in percentages of production or in absolute quantities from the participating countries, and (b) suitable protection for the right of access for any person as defined in paragraph (iii) of subparagraph (3) of section 111 (b) in the development of such materials on terms of treatment equivalent to those afforded to the nationals of the country concerned, and (c) an agreed schedule of increased production of such materials where practicable in such participating countries and for delivery of an agreed percentage of such increased production to be transferred to the United States on a long-term basis in consideration of assistance furnished by the Administrator to such countries under this title; and

"(10) submitting for the decision of the International Court of Justice or of any arbitral tribunal mutually agreed upon any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights, including contracts with or concessions from such country.

"(c) Notwithstanding the provisions of subsection (b) of this section, the Administrator, during the three months after the date of enactment of this Act, may perform with respect to any participating country any of the functions authorized under this title which he may determine to be essential in furtherance of the purposes of this title, if (1) such country has signified its adherence to the purposes of this title and its intention to conclude an agreement pursuant to subsection (b) of this section, and (2) he finds that such country is complying with the applicable provisions of subsection (b) of this section: *Provided*, That, notwithstanding the provisions of this subsection, the Administrator may, through June 30, 1948, provide for the transfer of food, medical supplies, fibers, fuel, petroleum and petroleum products, fertilizer, pesticides, and seed to any country of Europe which participated in the Committee of European Economic Cooperation and which undertook pledges to the other participants therein, when the Administrator determines that the transfer of any such supplies to any such country is essential in order to make it possible to carry out the purposes of this title by alleviating conditions of hunger and cold and by preventing serious economic retrogression.

"(d) The Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to ensure that each participating country makes efficient use of the resources of such country, including any commodities, facilities, or services furnished under this title, by observing and reviewing such use through an effective follow-up system approved by the joint organization.

"(e) The Administrator shall encourage arrangements among the participating countries in conjunction with the International Refugee Organization looking toward the largest practicable utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this title.

"(f) The Administrator will request the Secretary of State to obtain the agreement

of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

"(g) It is the understanding of the Congress that, in accordance with agreements now in effect, prisoners of war remaining in participating countries shall, if they so freely elect, be repatriated prior to January 1, 1949.

#### "Western Hemisphere countries

"Sec. 116. The President shall take appropriate steps to encourage all countries in the Western Hemisphere to make available to participating countries such assistance as they may be able to furnish.

#### "Other duties of the Administrator

"Sec. 117. (a) The Administrator, in furtherance of the purposes of section 115 (b) (5), and in agreement with a participating country, shall, whenever practicable, promote, by means of funds made available for the purposes of this title, an increase in the production in such participating country of materials which are required by the United States as a result of deficiencies or potential deficiencies in the resources within the United States.

"(b) The Administrator, in cooperation with the Secretary of Commerce, shall facilitate and encourage, through private and public travel, transport, and other agencies, the promotion and development of travel by citizens of the United States to and within participating countries.

"(c) In order to further the efficient use of United States voluntary contributions for relief in participating countries receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones, funds made available for the purposes of this title shall be used, insofar as practicable, by the Administrator, under rules and regulations prescribed by him, to pay ocean freight charges from a United States port to a designated foreign port of entry (1) of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid for operations in Europe, or (2) of relief packages conforming to such specified size, weight, and contents, as the Administrator may prescribe originating in the United States and consigned to an individual residing in a participating country receiving assistance under this title in the form of grants or any of the zones of occupation of Germany for which assistance is provided under this title and the Free Territory of Trieste or either of its zones. Where practicable the Administrator is directed to make an agreement with such country for the use of a portion of the deposit of local currency placed in a special account pursuant to paragraph 6 of subsection (b) of section 115 of this title, for the purpose of defraying the transportation cost of such supplies and relief packages from the port of entry of such country to the designated shipping point of consignee. The Secretary of State, after consultation with the Administrator, shall make agreements where practicable with the participating countries for the free entry of such supplies and relief packages.

"(d) The Administrator is directed to refuse delivery insofar as practicable to participating countries of commodities which go into the production of any commodity for delivery to any nonparticipating European country which commodity would be refused export licenses to those countries by the United States in the interest of national security. Whenever the Administrator believes that the issuance of a license for the

export of any commodity to any country wholly or partly in Europe which is not a participating country is inconsistent with the purposes and provisions of this title, he shall so advise the department, agency, or officer in the executive branch of the Government exercising the authority with respect to such commodity granted to the President by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, and, if differences of view are not adjusted by consultation, the matter shall be referred to the President for final decision.

#### "Termination of assistance

"Sec. 118. The Administrator, in determining the form and measure of assistance provided under this title to any participating country, shall take into account the extent to which such country is complying with its undertakings embodied in its pledges to other participating countries and in its agreement concluded with the United States under section 115. The Administrator shall terminate the provision of assistance under this title to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 115, or is diverting from the purposes of this title assistance provided hereunder, and that in the circumstances remedial action other than termination will not more effectively promote the purposes of this title or (2) because of changed conditions, assistance is no longer consistent with the national interest of the United States. Termination of assistance to any country under this section shall include the termination of deliveries of all supplies scheduled under the aid program for such country and not yet delivered.

#### "Exemption from contract and accounting laws

"Sec. 119. When the President determines it to be in furtherance of the purposes of this title, the functions authorized under this title may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

#### "Exemption from certain Federal laws relating to employment

"Sec. 120. Service of an individual as a member of the Public Advisory Board (other than the Administrator) created by section 107 (a), as a member of an advisory committee appointed pursuant to section 107 (b), as an expert or consultant under section 104 (e), or as an expert, consultant, or technician under section 124 (d), shall not be considered as service or employment bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

#### "United Nations

"Sec. 121. (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this title, and may make payments, by advancements or reimbursements, for such purpose, out of funds made available for the purposes of this title, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities. Nothing in this title shall be construed to authorize the Administrator to delegate to or otherwise



confer upon any international or foreign organization or agency any of his authority to decide the method of furnishing assistance under this title to any participating country or the amount thereof.

"(b) The President shall cause to be transmitted to the Secretary General of the United Nations copies of reports to Congress on the operations conducted under this title.

"(c) Any agreements concluded between the United States and participating countries, or groups of such countries, in implementation of the purposes of this title, shall be registered with the United Nations if such registration is required by the Charter of the United Nations.

#### *"Termination of program*

"SEC. 122. (a) After June 30, 1952, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, which declares that the powers conferred on the Administrator by or pursuant to subsection (a) of section 111 of this title are no longer necessary for the accomplishment of the purposes of this title, whichever shall first occur, none of the functions authorized under such provisions may be exercised; except that during the twelve months following such date commodities and services with respect to which the Administrator had, prior to such date, authorized procurement for, shipment to, or delivery in a participating country, may be transferred to such country, and funds appropriated under authority of this title may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer, and shall remain available during such period for the necessary expenses of liquidating operations under this title.

"(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority of the Administrator under this title may be transferred to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, and personnel of the Administration may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

#### *"Reports to Congress*

"SEC. 123. The President from time to time, but not less frequently than once every calendar quarter through June 30, 1952, and once every year thereafter until all operations under this title have been completed, shall transmit to the Congress a report of operations under this title, including the text of bilateral and multilateral agreements entered into in carrying out the provisions of this title. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

#### *"Joint congressional committee*

"SEC. 124. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Foreign Economic Cooperation (hereinafter referred to as the committee), to be composed of ten members as follows:

"(1) Three members who are members of the Committee on Foreign Relations of the Senate, two from the majority and one from the minority party, to be appointed by the chairman of the committee; two members who are members of the Committee on Appropriations of the Senate, one from the majority and one from the minority party, to be appointed by the chairman of the committee; and

"(2) Three members who are members of the Committee on Foreign Affairs of the House, two from the majority and one from

the minority party, to be appointed by the chairman of the committee; and two members who are members of the Committee on Appropriations of the House, one from the majority and one from the minority party, to be appointed by the chairman of the committee.

A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman from among its members.

"(b) It shall be the function of the committee to make a continuous study of the programs of United States economic assistance to foreign countries, and to review the progress achieved in the execution and administration of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of the programs of United States economic assistance to foreign countries; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Administrator, at the request of the committee, shall consult with the committee from time to time with respect to his activities under this Act.

"(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this subsection.

"(d) The committee is authorized to appoint and, without regard to the Classification Act of 1923, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman.

#### *"Separability clause*

"SEC. 125. If any provision of this Act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

#### *"TITLE II*

"SEC. 201. This title may be cited as the 'International Children's Emergency Fund Assistance Act of 1948'.

"SEC. 202. It is the purpose of this title to provide for the special care and feeding of children by authorizing additional moneys for the International Children's Emergency Fund of the United Nations.

"SEC. 203. The President is hereby authorized and directed any time after the date of the enactment of this Act and before July 1, 1949, to make contributions (a) from sums appropriated to carry out the purposes of this title and (b) from sums appropriated to carry out the general purposes of the proviso in the first paragraph of the first section of the joint resolution of May 31, 1947 (Public Law 84, Eightieth Congress), as amended, to the International Children's Emergency Fund of the United Nations for the special care and feeding of children.

"SEC. 204. No contribution shall be made pursuant to this title or such joint resolution of May 31, 1947, which would cause the sum of (a) the aggregate amount contributed pursuant to this title and (b) the aggregate amount contributed by the United States pursuant to such joint resolution of May 31, 1947, to exceed whichever of the following sums is the lesser:

"(1) 72 percent of the total resources contributed after May 31, 1947, by all governments, including the United States for programs carried out under the supervision of such Fund: *Provided*, That in computing the amount of resources contributed there shall not be included contributions by any government for the benefit of persons located within the territory of such contributing government; or

"(2) \$100,000,000.

"SEC. 205. Funds appropriated for the purposes of such joint resolution of May 31, 1947, shall remain available through June 30, 1949.

"SEC. 206. There is hereby authorized to be appropriated to carry out the purposes of this title for the fiscal year ending June 30, 1949, the sum of \$60,000,000.

#### *"TITLE III*

"SEC. 301. This title may be cited as the 'Greek-Turkish-Chinese Assistance Act of 1948'.

"SEC. 302. In addition to the amounts authorized to be appropriated under subsection (b) of section 4 of the Act of May 22, 1947 (61 Stat. 103), there are hereby authorized to be appropriated not to exceed \$275,000,000 to carry out the provisions of such Act, as amended.

"SEC. 303. (a) Subsection (a) of section 4 of such Act of May 22, 1947, is hereby amended by adding at the end thereof the following: 'The Reconstruction Finance Corporation is authorized and directed to make additional advances, not to exceed in the aggregate \$50,000,000, to carry out the provisions of this Act, as amended, in such manner and in such amounts as the President shall determine. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose.'

"(b) Subsection (b) of section 4 of the said Act is hereby amended by inserting after the word 'repaid' the following: 'without interest'.

"SEC. 304. Subsections (2) and (3) of section 1 of such Act of May 22, 1947, are hereby amended to permit detailing of persons referred to in such subsections to the United States Missions to Greece and Turkey as well as to the governments of those countries. Section 302 of the Act of January 27, 1948 (Public Law 402, Eightieth Congress), and section 110 (c) of the Economic Cooperation Act of 1948 (relating to investigations of personnel by the Federal Bureau of Investigation) shall be applicable to any person so detailed pursuant to such subsection (2) of such Act of 1947: *Provided*, That any military or civilian personnel detailed under section 1 of such Act of 1947 may receive such station allowances or additional allowances as the President may prescribe (and payments of such allowances heretofore made are hereby validated).

#### *"TITLE IV*

"SEC. 401. This title may be cited as the 'China Aid Act of 1948'.

"SEC. 402. Recognizing the intimate economic and other relationships between the United States and China, and recognizing that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in China endangers the establishment of a lasting peace, the general welfare and national interest of the United States, and the attainment of the objectives of the United Nations. It is the sense of the Congress that the further evolution in China of principles of



individual liberty, free institutions, and genuine independence rests largely upon the continuing development of a strong and democratic national government as the basis for the establishment of sound economic conditions and for stable international economic relationships. Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to China, it is declared to be the policy of the people of the United States to encourage the Republic of China and its people to exert sustained common efforts which will speedily achieve the internal peace and economic stability in China which are essential for lasting peace and prosperity in the world. It is further declared to be the policy of the people of the United States to encourage the Republic of China in its efforts to maintain the genuine independence and the administrative integrity of China, and to sustain and strengthen principles of individual liberty and free institutions in China through a program of assistance based on self-help and cooperation: *Provided*, That no assistance to China herein contemplated shall seriously impair the economic stability of the United States. It is further declared to be the policy of the United States that assistance provided by the United States under this title should at all times be dependent upon cooperation by the Republic of China and its people in furthering the program: *Provided further*, That assistance furnished under this title shall not be construed as an express or implied assumption by the United States of any responsibility for policies, acts, or undertakings of the Republic of China or for conditions which may prevail in China at any time.

"Sec. 403. Aid provided under this title shall be provided under the applicable provisions of the Economic Cooperation Act of 1948 which are consistent with the purposes of this title. It is not the purpose of this title that China, in order to receive aid hereunder, shall adhere to a joint program for European recovery.

"Sec. 404. (a) In order to carry out the purposes of this title, there is hereby authorized to be appropriated to the President for aid to China a sum not to exceed \$338,000,000 to remain available for obligation for the period of one year following the date of enactment of this Act.

"(b) There is also hereby authorized to be appropriated to the President a sum not to exceed \$100,000,000 for additional aid to China through grants, on such terms as the President may determine and without regard to the provisions of the Economic Cooperation Act of 1948, to remain available for obligation for the period of one year following the date of the enactment of this Act.

"Sec. 405. An agreement shall be entered into between China and the United States containing those undertakings by China which the Secretary of State, after consultation with the Administrator for Economic Cooperation, may deem necessary to carry out the purposes of this title and to improve commercial relations with China.

"Sec. 406. Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation is made pursuant to section 404, to make advances, not to exceed in the aggregate \$50,000,000, to carry out the provisions of this title in such manner and in such amounts as the President shall determine. From appropriations authorized under section 404, there shall be repaid without interest to the Reconstruction Finance Corporation the advances made by it under the authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction

Finance Corporation in implementation of this section.

"Sec. 407. (a) The Secretary of State, after consultation with the Administrator, is hereby authorized to conclude an agreement with China establishing a Joint Commission on Rural Reconstruction in China, to be composed of two citizens of the United States appointed by the President of the United States and three citizens of China appointed by the President of China. Such Commission shall, subject to the direction and control of the Administrator, formulate and carry out a program for reconstruction in rural areas of China, which shall include such research and training activities as may be necessary or appropriate for such reconstruction: *Provided*, That assistance furnished under this section shall not be construed as an express or implied assumption by the United States of any responsibility for making any further contributions to carry out the purposes of this section.

"(b) Insofar as practicable, an amount equal to not more than 10 per centum of the funds made available under subsection (a) of section 404 shall be used to carry out the purposes of subsection (a) of this section. Such amount may be in United States dollars, proceeds in Chinese currency from the sale of commodities made available to China with funds authorized under subsection (a) of section 404, or both."

And the Senate agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

C. A. EATON,  
J. M. VORYS,  
K. E. MUNDT,  
S. BLOOM,  
J. KEE,

*Managers on the Part of the House.*

A. H. VANDENBERG,  
A. CAPPER,  
A. WILEY,  
T. CONNALLY,  
W. F. GEORGE,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendments of the House to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The differences between the House amendment and the bill as agreed to in conference are noted below, except for incidental changes made necessary by reason of agreements reached by the conferees and minor clarifying changes.

#### TITLE I

##### *Findings and declaration of policy (sec. 102)*

The bill as passed by the Senate stated the restoration and maintenance of individual liberty, free institutions, and genuine independence as resting upon the establishment of sound economic conditions, stable economic relationships, and the achievement by the European countries of a healthy economy, free of extraordinary outside assistance. The amendment as passed by the House added political as well as economic conditions and relationships to the criteria. The House recedes in view of the concept that the European recovery program is primarily

an economic undertaking although political and other gains will be the byproducts.

##### *Participating countries (sec. 103)*

Section 3 (a) of the Senate bill provided that other European countries not now in the 16 country group might become participants in the program after fulfilling the steps required by the bill, but no such countries were named. The House amendment, in section 103 (a), inserted the word "Spain" in this provision but left in this qualifying language: "Provided such country adheres to, and for so long as it remains an adherent to, a joint program for European recovery designed to accomplish the purposes of this title." Thus, the House left it to the joint action of the European nations to provide for inclusion of Spain.

In conference it was felt wiser not to mention Spain or any specific country which might become a participant by fulfilling the required conditions.

The merits of the question of including Spain are not being passed upon. This enterprise is open to Spain whenever the participating countries desire to have Spain enter the partnership. Under the theory upon which the partnership has been launched and organized, the United States leaves to the participating governments the initial decision on the admission of a new partner.

Nothing in the bill closes the door on Spain's participation. In the view of the managers on the part of the House, it is unnecessary to attempt to open a door that has never been closed in this legislation.

The provision in the amendment as passed by the House for assistance to the Free Territory of Trieste or either of its zones under the Foreign Aid Act of 1947 until such time as the territory or either of its zones becomes a participating country has been retained with an amendment which makes it clear that the \$20,000,000 authorized to be advanced by the Reconstruction Finance Corporation pending an appropriation may be made available under the authority either of subsection (a) of section 114 of S. 2202 or subsection (d) of section 11 of the Foreign Aid Act of 1947. The amendment agreed to in the committee of conference does not increase the authorization for appropriation under either the bill or the Foreign Aid Act of 1947.

In the event that Trieste should be returned to Italy, funds authorized for assistance to Trieste will, of course, remain available for the general purposes of the act under which they were authorized.

##### *General functions of administrator (sec. 105)*

The House amendment to S. 2202 (a) directed the Administrator to consult with the Secretary of State in the event the Administrator believed that any action, proposed action, or omission of action on the part of the Secretary of State was inconsistent with the purposes of the European recovery program, and (b) specified that differences between the two officials in this regard should be referred to the President for final decision when the officials concerned were unable to settle these differences themselves.

The Senate recedes with an amendment which confines the relevant area of differences to functions under the European recovery program. The effect of this amendment is to make it clear that the Administrator's right to carry differences with the Secretary of State to the President is no more than equivalent to the corresponding right of the Secretary of State with respect to disagreements with the Administrator.

##### *Public Advisory Board (sec. 107)*

The amendment to S. 2202 as passed by the House specified that the members of the Public Advisory Board should have broad and



varied experience in business, labor, agriculture, and the professions, as well as in matters affecting the public interest. The House recedes from its position.

It was the view of the committee of conference that the qualifications of the members of the Public Advisory Board should be related to their broad and varied experience in matters affecting the public interest without reference to economic interest groups.

*Personnel outside United States (sec. 110)*

There was retained in substance the provision of the amendment passed by the House requiring certification by the Secretary of State or the Administrator of his belief in the loyalty of individuals employed for, or assigned to, duties under title I. Certain changes were made (1) to permit consideration of information in addition to the Federal Bureau of Investigation report; (2) to require certifications of belief as to loyalty rather than "unquestioned loyalty"; and (3) not to bar persons who may have belonged to organizations opposing specific statutory enactments as distinguished from organizations advocating the overthrow of the government by force and violence. The proviso contained in the House bill was deleted, however, since the language which was retained made it clear that present employees of the government might be temporarily assigned to such duties for a period of three months pending the Federal Bureau of Investigation report and certification by the Administrator or Secretary of State.

It is recognized that the burden of other duties of the Secretary of State and the Administrator will preclude their making personal evaluations in each case of the Federal Bureau of Investigation reports. It is therefore envisaged that this function may be delegated by the Administrator and the Secretary of State to trusted subordinates, although the responsibility for the selection and retention of employees loyal to the United States would remain in the Secretary of State and the Administrator in their capacity as head of their respective agencies.

*Nature and method of assistance (sec. 111)*

The Senate recedes on the provision in section 111 (b) (1) (i) of the amendment as passed by the House respecting the assignability under the Assignment of Claims Act of 1940 of moneys due or to become due under letters of commitment. A clarifying amendment has been added by the committee of conference to identify such moneys as those due under the letters of commitment rather than under the contracts to which the letters of commitment relate.

It should be noted that the Senate recedes on the language inserted in section 111 (b) of the amendment as passed by the House requiring expenditures for commodities or services procured offshore to be accounted for exclusively on such certification as the Administrator may prescribe "in regulations promulgated by him with the approval of the Comptroller General." Experience has shown that with respect to procurement outside the United States, particularly through normal trade channels, it is frequently impossible to obtain all the standard documentation required for auditing of accounts. Hence the Administrator is authorized to prescribe the documents required in support of expenditures for offshore procurement. The purpose of the amendment made by the House was to assure that the Administrator would obtain the approval of the General Accounting Office in promulgating regulations prescribing the documentation to support such expenditures for offshore procurement.

It is contemplated that the regulations would not specify such documentation with great particularity, but would indicate general requirements assuring appropriate expenditure, while leaving details of documentation to the discretion of the Administrator who would be free to take into account the exigencies of individual situations.

The Senate recedes on the provision in section 111 (b) (3) of the amendment as passed by the House including among the guaranties which may be made the guaranties of investments in enterprises producing or distributing informational media. The members of the committee of conference recognize that the nature of the information media industry is such that in many cases the investment to which the guaranty will apply will have been made in the United States and the product of the investment sold or exhibited abroad. In these cases the guaranty might well apply to the convertibility of foreign currencies earned by the sale or exhibition of the products of the industry, to the extent of the dollar cost of production wholly attributable to those specific products.

The Senate also recedes on the provision in section 111 (b) (3) of the amendment as passed by the House requiring that when any payment is made under a guaranty, foreign currency or credits in such currency in respect of which the guaranty was honored shall become the property of the United States. This provision will, of course, apply only to the amount of local currency or credit in such currency for which payment is made under the guaranty.

*Protection of domestic economy (sec. 112)*

The House recedes on the provision written into section 112 (c) of the amendment passed by the House requiring that not less than 50 percent of the corn to be transferred by grant to the participating countries should be in the form of corn derivatives other than intoxicating liquors.

Section 12 (d) of the bill as passed by the Senate provided detailed rules to be followed by the Administrator in the procurement of surplus agricultural commodities in order to protect the domestic economy. The term "surplus agricultural commodity" was defined as any agricultural commodity, or product thereof, produced in the United States which is determined by the Secretary of Agriculture to be in excess of domestic requirements. In section 112 (d) of the amendment passed by the House there was added to this definition "canned foods and domestically produced fishery products which are determined by the Secretary of Agriculture to be in excess of domestic requirements. The House recedes on this amendment. The generality of the definition remains intact.

*Authorization of appropriations (sec. 114)*

Section 14 (a) of the bill as passed by the Senate provided that the Reconstruction Finance Corporation was to be repaid without interest from appropriations authorized under the bill for advances made by it in pursuance of the bill. In section 114 (a) of the amendment passed by the House the language was changed to provide for repayment "from funds made available for the purposes of this title." The Senate recedes on this amendment. This is in keeping with the acceptance by the committee of conference of the portions of the House amendment relating to public-debt transactions. A clarification is necessary: funds may be made available for assistance to any participating country out of the Reconstruction Finance Corporation advance prior to a determination whether such assistance should be by way of grant or loan. When such determination is made, the Reconstruction Finance Corporation will be repaid from appropriations made under section 114 (c) or from proceeds of the sale of notes under section 114 (c) (2) as the case may be.

The Senate recedes on the language adopted by the House in section 114 (c) insuring annual authorizations during the life of the program.

*Bilateral and multilateral undertakings (sec. 115)*

The bill as passed by the Senate in section 15 (b) (4) would require a participating country where applicable to agree in the

basic bilateral agreement to undertake measures, to the extent practicable, to locate and control in furtherance of the joint program assets, and earnings therefrom, situated in the United States and belonging to citizens of such countries. Section 115 (b) (4) of the House amendment changed this language to a requirement to identify and "put into active use" such assets and earnings. The Senate receded on this part of the House amendment with an amendment changing the word "active" to "appropriate". This provision does not require the liquidation of the assets to which it applies. For instance, investments would be considered as being put into appropriate use if the income therefrom were being used in such a manner as would contribute to the furtherance of the recovery program.

Section 15 (b) (5) of the bill as passed by the Senate provided for a clause in the bilateral agreement, if applicable, under which a participating country would undertake within reasonable limits to facilitate the transfer to the United States, for stock-piling purposes, of materials required by the United States as a result of deficiencies or potential deficiencies in its own resources. The House amendment in section 115 (b) (5) included "other" purposes along with stock piling so as to indicate that scrap iron, and any similar materials which are immediately needed in our economy, need not be stock-piled. The Senate receded on this portion of the House amendment. In the opinion of the committee of conference materials such as scrap iron should be available for transfer to the United States under this provision for immediate use and not for stock piling.

In section 115 (b) (9) the House amendment added to the undertakings which might be applicable to the bilateral agreement an undertaking reinforcing the provisions included in the Senate bill respecting the acquisition of materials required by the United States as a result of deficiencies or potential deficiencies in its own resources. The participating country was to undertake to provide future schedules of minimum availabilities to the United States for future purchase and delivery, and also to provide an agreed schedule of increased production of such materials in repayment on a long-term basis of grants or loans made by the Administrator to the participating country. The Senate recedes on this portion of the House amendment with amendments making it clear (1) that the bilateral agreement need only contain an agreement by the participating country to negotiate in the future for providing such schedules and (2) that a portion of the increased production of such materials would be transferred to the United States on a long-term basis in consideration of assistance furnished to the participating country under Title I rather than in repayment of specific loans or grants.

Section 115 (b) (10) of the House amendment added to the undertakings which might be applicable to the bilateral agreement an undertaking to submit for the decision of the International Court of Justice or any mutually agreed tribunal any case espoused by the United States Government involving compensation of a national of the United States for governmental measures affecting his property rights. The Senate recedes on this amendment. It should be pointed out that in making its decision as to whether to espouse a claim, the United States Government will give due regard to the availability of local remedies and to the question whether such remedies, if available, have been exhausted by the United States national concerned.

*Other duties of the Administrator (sec. 117)*

Section 17 (c) of the bill as passed by the Senate would give discretionary authority to the Administrator to defray ocean freight charges on relief packages sent by United States voluntary nonprofit relief agencies or by American individuals and consigned to



residents of participating countries receiving aid under grants. Section 117 (c) of the amendment passed by the House provided for a number of extensions and refinements of this authority. It also made the defrayment of such expenses mandatory and included port charges and the handling cost from the post office at the port terminal to shipside along with the ocean freight charges as expenses which might be defrayed. The House recedes on the mandatory requirement and on the inclusion of port charges and handling costs from the port terminal post office to shipside. It was the considered judgment of the members of the committee of conference that the subsidizing of expenses beyond ocean freight would result in an excessive drain on the funds authorized to be appropriated by this bill.

The House recedes also on an additional provision which would authorize the Administrator to grant equal benefits to American relief agencies which deliver packages from stock piles abroad. It was the view of the members of the committee of conference that with the removal of port charges and the cost of handling from the terminal post office to shipside an equitable balance is struck between individuals and organizations shipping relief packages directly from the United States on the one hand and organizations which stock-pile relief supplies in Europe on the other hand.

Section 117 (d) includes a provision which was in section 112 (g) of the amendment as passed by the House relevant to the authority of the Administrator to refuse delivery to participating countries of commodities or products which go into the production of any commodities or products for delivery to any nonparticipating European country, which commodity would be refused export licenses to those countries by the United States in the interest of its national security, and further authorizing the Administrator to intervene in the national interest in the enforcement of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. The Senate recedes with an amendment.

Under the amendment as agreed to by the committee of conference, it is contemplated that pursuant to the authority conferred by section 6 of the act of July 2, 1940, as amended, regulations will be promulgated by the President under which the Administrator can make a finding whether the denial of export licenses with respect to particular commodities destined for nonparticipating countries in Europe have been refused in the interest of the national security of the United States or whether they have been refused on other grounds.

#### *Joint congressional committee (sec. 124)*

Section 24 of S. 2202 as originally passed by the Senate contained a provision for a Joint Committee on Foreign Economic Cooperation, to be composed of seven Members of the Senate and seven Members of the House of Representatives to be appointed respectively by the President of the Senate and the Speaker of the House. The function of this committee would be to study continuously the programs of economic assistance to foreign countries, review progress under these programs, and assist the related standing committees of the Congress having legislative jurisdiction relevant to the program.

The House amendment to S. 2202 omitted this provision. Section 108 of the House amendment provided, however, that the United States Special Representative in Europe should keep the chairmen of the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House currently informed on his activities. A similar provision respecting the Chief of the Special Mission to China was included in section 405. These two provisions in the

House amendment were to implement the legislative and appropriating committees concerned in carrying out their responsibilities under the Legislative Reorganization Act of 1946.

The House recedes with an amendment. The provisions for the United States Special Representative in Europe and the Chief of the Economic Mission to China to make special reports to the committee chairmen concerned are omitted. As a substitute for the provision for a joint congressional committee as contained in the bill as passed by the Senate, the bill as revised in the committee of conference provides for a joint committee to consist of 10 members equally balanced as between the two Houses of Congress, of which 3 members from each House will be from the committee having legislative jurisdiction and 2 members from each House will be from the committee having jurisdiction with respect to appropriations. The joint committee thus envisaged will maintain the balance as between the two major political parties and questions of policy and purse will be brought into a common focus.

The Senate's view emphasizes the need of a joint committee having a special obligation to follow up on the effectiveness of operations carried out in this new and far-reaching experiment in foreign relations. The view of the House, on the contrary, emphasizes the need of protecting the primary responsibility of the legislative committees and of the appropriations committees concerned in the feeling that supervision is most effective when linked to responsibility.

It is the view of the majority of the managers on the part of the House that the formula worked out in the committee of conference is a most satisfactory compromise between these two points of view.

#### TITLE II

The Senate receded with an amendment to the House amendment inserting title II in the bill. The purpose of the amendment as agreed to in the committee of conference is to set up a more convenient formula for computing the contribution to be made to the Children's Fund by the United States. The following is the method of computing the amount of the United States contributions under this amendment:

The entire resources of the fund consist of contributions from three sources:

Category (1): Contributions by governments other than the United States for the benefit of persons within their own territory;

Category (2): Contributions by governments other than the United States for the benefit of persons outside their own territory;

Category (3): Contributions by the United States.

The United States is authorized to contribute up to 70 percent of the total resources contributed by all governments, including the United States. The contributions by the United States, however, are not expected to exceed the sum of the contributions by other governments. Contributions by other governments for the benefit of persons outside their own borders, i. e., category (2), must match United States contributions on a 72-28 basis.

Thus, taking the total resources as 100 percent, category (3), contributions by the United States, are not expected to exceed 50 percent but may reach 70 percent. If the contributions by other governments for the benefit of persons outside their territory, i. e., category (2), equal exactly 20 percent, there will be 30 percent in category (1). For every \$2 contributed by other governments for the benefit of persons outside their borders the United States may contribute as much as \$5 to the Fund. In case no country makes a contribution to the Fund for the benefit of children inside its own borders, the \$5 contributed by the United

States would be matched only by the \$2 in category (2). The United States contribution would then amount to 70 percent of the total resources, as authorized in the proposed language of the bill. If, however, other countries contribute 30 percent of the total resources for the benefit of children within their own borders, the United States contribution will be just 50 percent of the total resources.

#### TITLE III

The amendment as passed by the House included military-type aid to Greece, Turkey, and China in title III. As a result of the action taken by the committee of conference military-type aid to Greece and Turkey is retained in title III and military-type aid to China is shifted to title IV.

#### TITLE IV

##### *China*

The managers on the part of the House accepted changes which considerably shorten the text of the bill, consolidate aid to China in a single title, adjust the time period of the authorization from "until June 30, 1949" to a "period of one year", and adjust the amount authorized to the change from 15 months to 12. The purpose clause of the House bill was retained, as well as the provision on rural reconstruction. The Senate provision on an advance by RFC before appropriation was accepted.

#### *Administrative Provisions*

The managers on the part of the House accepted the clause from section 2 of the Senate bill, providing that aid to China is to be provided under the applicable provisions of the Economic Cooperation Act of 1948 which are consistent with the purposes of this title. This clause is a substitute for the complex provisions of the House bill. All of section 403 of the House bill with the exception of the authorization of funds, and the last clause relating to rural reconstruction, together with section 405 of the House bill, are thus replaced by three lines from the Senate bill with no change in effect, embodied in section 403 of the conference bill.

#### *China—Amount Authorized*

The amount authorized was changed from a total of \$570,000,000 for approximately 15 months to a total of \$463,000,000 for a period of 12 months. The new figure is slightly more than four-fifths of the former House figure, reflecting the assumption that the scale of aid will be highest at the beginning of the program and decline thereafter.

Of the total authorization it was agreed that \$125,000,000 should be provided under the language of the Senate bill allowing for aid of military character, with \$338,000,000 remaining for the economic reconstruction type of aid. In making this adjustment the allotment for military aid is slightly larger in proportion to purely economic aid than in the original House bill. These changes are embodied in section 404 of the agreed bill.

#### *Rural Reconstruction*

The so-called "Jimmy Yen" provision of the House bill, consisting of subparagraph (h) of section 403, together with the whole of section 404 of the House bill, was retained as section 407 of the agreed bill. The amount authorized was modified from a fraction of the total United States dollars to include either United States funds, Chinese funds made available under agreement, or both.

#### *RFC Clause*

The Senate provision allowing an advance of \$50,000,000 by the Reconstruction Finance Corporation against the program for China was accepted by the managers on the part of the House. This reduces the authorization in this connection from \$150,000,000 to



\$50,000,000, but in the judgment of the conferees this smaller amount will be entirely adequate for the practical needs of the program. This provision is now section 406 of the bill.

C. A. EATON,  
J. M. VORYS,  
K. E. MUNDT,  
S. BLOOM,  
J. KEE,

*Managers on the Part of the House.*

The SPEAKER. The question is on agreeing to the conference report.

Mr. VORYS. Mr. Speaker, I wish to apologize to the Speaker and to the floor leader. We are 24 hours late on the program which the leadership planned for the consideration of this matter. However, we are a week ahead of the program that the critics of this package plan considered possible.

In conference we had to recede on certain matters, of course, and make certain adjustments, but there are few changes between the conference report and the House bill passed 2 days ago.

First. Provision is retained for a complete annual review of authorization and appropriations.

Second. The \$1,000,000,000 cut in the amount for appropriations is still in the bill. The total is now \$107,000,000 less than the House bill, or \$6,095,000,000. Of this amount \$1,000,000,000 is available solely for loans and guaranties.

Third. An independent administrator, with provision for use of a corporation for carrying on the program, is still in the bill.

Fourth. Trieste, the children's fund, Greek-Turkish assistance, and China are in. China is in for \$125,000,000 military aid and \$338,000,000 other aid for a period of 12 months, slightly over the proportionate figure for that period in the House bill.

Fifth. The loyalty test is in.

Sixth. The Mundt-Colmer amendment is in.

Spain is out. The House amendment left it to the joint action of the 16 countries as to whether Spain should be admitted to the plan. The conferees felt it was wiser to name no specific country among the many which might become participants by complying with the requirements of the joint plan. In this legislation we do not need to open a door that has never been closed. That is the situation with respect to mentioning Spain.

Corn, canned goods, and fish are out. They can be used if they meet standards for the program, but the conferees decided there was no need for their specific mention, as in the House bill.

Port charges for relief packages are out. It was found that this would amount to about \$30,000,000, but ocean-freight payment for such relief packages is retained in the bill.

The so-called new watchdog committee proposed by the Senate is out, but instead a joint committee made up of Members of the House Foreign Affairs Committee and Appropriations Committee and similar committees of the other body is to aid in collecting information for the standing committees in carrying on their regular duties of checking the

administration of laws under the Reorganization Act.

Mr. Speaker, I now yield to our distinguished and beloved chairman, the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Speaker, I wish to call the attention of the House to the fact that this is really an historic moment in the development of legislation by this body. I doubt if in our entire history we have laid the foundations of so broad and far-reaching a world policy as we have in this legislation. We of the Foreign Affairs Committee are just about one week short of three solid months of terrific and continuous toil in its preparation. I am thankful to say that we have come here today with a bill that is worthy of the favorable consideration of every Member of this House and the support of the people.

As to the watchdog committee, I do not like watchdogs, which constitute a reflection upon the integrity of that to be watched. The House voted overwhelmingly not to have one. But we in conference decided to have a little imitation one to satisfy the brethren who had a hungering in that direction. So I am going along with them to that extent.

Mr. VORYS. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. MUNDT] to explain the so-called Mundt-Colmer amendment.

Mr. MUNDT. Mr. Speaker, I expect to explain the amendments mentioned by the able and energetic gentleman from Ohio [Mr. VORYS] in just a minute, but first I would like to call to the attention of the membership the fact that seldom, if ever, in the 10 years that I have been a Member of this House have we had such good success as House conferees in conferring with the other body as was true with this legislation.

I would like to pay my tribute to the gentlemen from the other end of the Capitol in having yielded to the House position on virtually all the major items of controversy. There were nine major items of disagreement, and on seven of the nine the gentlemen from the other end of the Capitol accepted the position of the House.

Mr. Speaker, the nine most significant items in disagreement between our two legislative bodies were as follows:

First. Should this be a single-package bill including all of the major-assistance items required by the so-called Marshall-plan countries plus China and including both economic and military-type aid or should we handle these programs by separate items of legislation. The other body proposed handling the items separately; the House Foreign Affairs Committee argued that the time has come to wrap into one package the world programs in which we are engaged to contain and curb communism abroad. The position of the House prevailed in the conference. We are today voting for final passage of a single-package bill and may I add, sir, that this is also a distinct victory for our able and beloved Speaker and for his talented aide, our majority leader, since both of them favored the package approach. In settling the differences between the two types of legislation so quickly and in

having the whole series of programs ready for passage today we have confounded the critics who a month or so ago were arguing that "the single package approach would delay aid to Italy and the other western countries." It did not make for delay. Quite to the contrary the single-package approach has made for far greater speed in implementing this rounded-out program of assistance than would otherwise have been possible. A month ago the State Department expressed the hope we could get this legislation through Congress "not later than April 10." Well sir, here it is today, ready for the President's signature and with RFC money immediately available for utilization on April 2. We beat the State Department's timetable by 8 days.

Second. The second major difference between Senate and House versions of the bill was on the matter of amount. Should this all be appropriated money available for grants or should a substantial portion be set aside for loans and guaranties? Again the House position prevailed in conference. One billion dollars of this aid need not be appropriated as it is to be extended as loans or guaranties. Much, maybe most, of this money should return to our Federal Treasury.

Third. The third point at issue was the matter of the time to be covered by this authorization. The Senate proposed 1952 as the termination date of this authorization. In language inserted by me during the committee consideration of this bill, we insisted that there be annual authorizations as well as annual appropriations. The House position prevailed in conference. So this legislation covers 12 months only. Another authorization, a new piece of legislation, a new series of hearings, and a new affirmative action by Congress will all be required to extend this program beyond 12 months. We all hope the program works so well and that the world is so peaceful and patient that we shall feel it wise and prudent to extend this program further when it comes before us again next year, if it is again brought before us. If we have it with us again next year, it will be an indication the program is measuring up to what is hoped of it. But today's commitment is for 1 year and for 1 year only.

Fourth. Our fourth difference of opinion grew out of what is to be done with the assets of foreigners in the United States. What should we do about these hidden assets owned by wealthy aliens and maintained in this country? The House language insisted through an amendment which you will recall my offering on the floor of the House and which you approved that these assets be put into active use. Again the House position prevailed. The conference language says "put into appropriate use." That is an improvement over my language. It means that when located and identified these assets of rich foreigners are to be put into appropriate use in the furtherance of this program. That is right and proper. It will help relieve the burden on American taxpayers by utilizing the earnings and assets of the foreigners whose homelands we are endeavoring to stabilize and save.



Fifth. On the matter of providing for repayment to the United States insofar as practicable of the assistance we extend by shipping to this country or making available to us metals and minerals which are in short supply, again the position of the House prevailed. Our amendment to guarantee us access to foreign minerals and to mandate the Administrator of this program to secure agreements where possible to ship us critical and strategic minerals in compensation for our assistance will be made part of this law as you vote final approval for it today.

Sixth. The FBI loyalty check remains in the bill, virtually in the same fashion that it passed the House. If anything, it has been strengthened because now we require the Economic Administrator or the Secretary of State to certify in writing after full consideration of the FBI report that the individuals in question are loyal to this Government and are not now or never have been members of an organization of a subversive nature, or which sponsors policies or programs contrary to the Constitution of the United States. I submit to you that that is the tightest and the toughest prohibition against the employment by the Federal Government of Communists and their fellow travelers that has ever been written into a criminal statute. I think it is going to operate successfully.

This amendment which follows but strengthens the pattern which our committee has insisted on writing into all of our foreign-aid proposals since our unhappy and unfortunate experiences with UNRRA is the best formula which we have yet found for keeping Communists and crypto-Communists out of Government service. This amendment is as full of teeth as a crocodile's jaw. It provides for a screening and scrutiny of the background of potential employees which should result in the appointment of men and women for ERP who have the same sense of sturdy Americanism as the agents of the FBI itself. Again the Senate receded, the position of the House prevailed in conference, and we bring this legislation back to you with a loyalty check of which we can all be proud. Unless the Administrator and/or the Secretary of State authorize the attachment of their signatures to certifications of loyalty under this act which are gross falsehoods and deliberate deceptions, I believe we can be assured of good American personnel in the administration of this act.

Seventh. The export prohibition amendment was retained also with all of its full impact and import in the intention in which it passed the House. In fact, the first section of it, the part which prohibits the reshipment to the Soviet sphere from any cooperating country of anything which we, in turn, deny our own producers the right to ship because of our national interest, remains exactly in the language that was approved by the House in adopting my export-control amendment.

We spent over 3 hours in controversy with the Senate last night over the second part of the export-control amendment. The gentlemen from the other end of the Capitol wanted to be sure

that it was written in a constitutional manner, just as we wanted, and to be sure that it was workable. We think we have a formula which does exactly what the House has in mind. It places upon the Economic Administrator the responsibility, when he finds it in conformity with the purposes of this act, which you will recall, includes the protection of the national interests of the United States, to advise against shipping or exporting to any nonparticipating country in Europe any product jeopardizing our national security and interest. We make it mandatory upon the Administrator then to advise the Department of Commerce, or any other agency of the Government which may have control of export licenses at the time, that he feels prohibition should be made on such exports sent to the Soviet sphere, which we refer to in the language of statesmanship as the nonparticipating countries.

If the export-control authorities refuse to go along, the controversy is carried to the President and decided by him. It means that in the regular reports that the Economic Administrator makes to the Congress he has to define his position and his actions on such matters. He has to submit it in writing so that everybody in the country will know from now on if we ship machine tools or war potentials or war supplies to the Soviet sphere that is was done with the official approval of the President of the United States. There will be no dodging or no ducking of responsibility. I join all of you, I know, in the hope this export-control provision will be faithfully carried out and that hereafter no more war supplies or military potentials will be sent to the countries under Communist domination.

Mr. Speaker, I want to call attention now to one important correction, a typographical error on page 29 of the report. About 12:30 last night when we left the conference room it was agreed that the language appearing in the second line from the top of page 29 would be stricken from the report so that the report would read as follows, and I want this to appear in the permanent Record clearly since the conferees are in complete agreement about this, so that no administrator will ever come back to the Congress and say, "I was governed by a typographical error in the conference report." Beginning at the bottom of page 28, the correct and unanimously approved language of our conference report should read as follows:

There was retained in substance the provision of the amendment passed by the House requiring certification by the Secretary of State or the Administrator of his belief in the loyalty of individuals employed for, or assigned to, duties under title I.

Immediately following that should be deleted, and the deleted part reads as follows:

Certain changes were made (1) to permit consideration of information in addition to the Federal Bureau of Investigation report.

That language should not be in this report. Those words were stricken out by the conferees last night and the people who had charge of assembling the report deleted them. They appear in the report

today purely as a typographical error. The Administrator is not permitted to ignore the FBI report or to set up another investigating group. He has to make his findings based upon full consideration of the FBI report, nothing more, nothing less. Let there be no misunderstanding about that. Let the Secretary of State and whoever is to be made Administrator of this act be governed accordingly.

Now, Mr. Speaker, a few words about the two remaining major points at issue between the two bodies, the issues on which your House conferees were compelled to recede and concur with the Senate.

The eighth point at issue was whether Spain should be mentioned by name as a country eligible for participation in the western European recovery program or whether the phrase "other countries" should be ample to make America's position clear on that point. The Senate preferred to mention no country by name outside of the 16 original participating countries. The House concurred with the Senate position and specific reference to Spain was deleted. As the gentleman from Ohio [Mr. Voris] has said, however, that was not done as an indication that Congress believes that Spain should be excluded. As demonstrated by the vote of this House on the specific question a few days ago it is clear that a great body of opinion in America hopes that the 16 participating countries will utilize the cooperation of Spain in strengthening and stabilizing the economy and the political relationships of all the European countries still remaining outside of the Communist grasp.

On point 9, the so-called watchdog committee, a compromise amendment was accepted halfway between the position of the House and the position of the Senate. There will be a joint committee as the Senate language recommended but it will be comprised of six members of the Foreign Affairs and Foreign Relations Committee and four members of the Appropriations Committees of the two bodies. I think the language of the report is self-explanatory and clear on this amendment.

Mr. Speaker, after nearly 90 days and very many nights of hard labor on this legislation, our task is now completed. It leaves our committee with our prayers and yours that it may succeed. It represents the greatest adventure of American history in the active waging of peace. It is a mighty effort on the part of this great Christian country to curb the aggressions of Godless communism without war. It totally and finally marks the end of the era of appeasement which this country has followed since the conference at Teheran, and even earlier, down to the shipload of war supplies which the Russian freighter, the steamship *Chukotka*, carried out of the Claremont Terminal in Jersey City, N. J., with officially approved sailing orders last Saturday night.

If this plan for waging a peace succeeds it will be the most profitable and productive investment in American history. If it fails, war will become inevitable as the only remaining alternative for our own survival. If it succeeds, the costs will be as nothing compared



with the costs of failure. If it fails, the costs we shall then face will shrink into insignificance compared with what we now propose to spend to win the peace. Should we try and fail we shall have done our best. But should we fail to try, America might face the setting sun of civilization's destiny without ever having devoted her great strength toward trying to precipitate the dawn of permanent peace. Therefore, we are resolved to try our best.

Mr. VORYS. Mr. Speaker, there are three typographical errors in the printed conference report:

On page 23, in section 301, the citation should read "Greek-Turkish Assistance Act of 1948"; and on page 25, in section 404 (b), the figure should be \$125,000,000 in lieu of \$100,000,000. The amount is correctly shown in the statement of managers on page 35 of the printed report.

And then, as the gentleman from South Dakota [Mr. MUNDT] stated, there is the correction on page 29. The enrolled bill is correct.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. On page 18, subsection (e) of section 115, is the point where the Administrator shall encourage arrangements among participating countries in conjunction with the International Refugee Organization. That means, does it not, that the Administrator under this act has the right and the duty to negotiate agreements so that these participating countries will take their fair share of displaced persons now in Europe and in the various zones?

Mr. VORYS. Yes. The purpose is, however, to make it clear that he does not displace the head of the International Refugee Organization.

Mr. FULTON. Yes; but he has the duty to negotiate.

Mr. VORYS. Yes.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from New York.

Mr. JAVITS. The provision that is now in the section in regard to the shipment of relief packages by United States voluntary nonprofit agencies and individuals, is confined to ocean freight only and omits port charges and delivery charges from the post office to the terminal. Are we to understand that present provision was designed in that way to limit the amount of the cost of shipment to be absorbed, and the reason that the CARE amendment was left out was to preserve the equality between CARE and the voluntary agencies and individuals by confining the cost to be absorbed to this one item of ocean freight charges.

Mr. VORYS. Yes.

Mr. Speaker, I now ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

#### THERE WILL BE HOPE FOR PEACE

Mr. JOHNSON of Texas. Mr. Speaker, the long hours of debate on this legislation are nearly ended, and soon this House will be called upon to vote "yes" or "no" on this program of financial aid to the free nations of the world across the seas.

No parliament of man ever before was confronted with a decision of more importance, for when we vote we will be voting "yes" or "no" upon the future of the human race.

If the vote is "yes," there will be hope for peace.

I would prefer to strike out that word "hope." I wish that I could say an affirmative vote on this measure would mean peace. In all honesty, that cannot be said. Our expenditure of this money is a gamble—the most heroic gamble in the history of mankind. Therefore, we can only hope that this will secure the peace.

#### THE SAFER RISK

But this is no reason for weak-hearted men to cower and retreat and run pell-mell away from destiny. In this world of violence, any course our Nation might take would be a gamble.

The course outlined in this legislation is, I believe, the safer risk.

If the vote should be "no," civilization would turn down the short and terrifying dead-end street of atomic warfare. From that path there would be no return.

Since the inception of this program many months ago the arguments have been heard at great length both for and against the proposal.

We have heard the America Firsters and the Russia Firsters rant and rave against it.

We have heard the voice of isolationism arise once more, parroting phrases of false prophecy and contending that economy in Government is more to be desired than peace in the world.

We have heard the voice of hysteria scream again, mimicking the voice of Moscow and telling us that we are warmongers because we are replacing bullets with bread in this field of international relations.

#### IRRESPONSIBLE POLITICAL CLOWNS

Yes; and I would particularly like to recall that in the chambers of debate there have been those irresponsible political clowns who shouted that this program of foreign aid was conceived in Moscow. What could be further from the truth?

This legislation was not written in Moscow.

This legislation was not written in Wall Street.

It was written on the Main Streets of America.

This legislation is what the great majority of the American public demands as minimum security for this hard-earned peace which we now hold so tentatively within our grasp.

#### VOTE HEARD AROUND THE WORLD

Whatever we do here as individuals acting upon this legislation, our final votes will long outlive our names in the

memory of mankind. This vote will be heard around the world—and it will echo on and on, so long as the peace is kept among men.

Why is this vote so important? Why does so much hinge upon the appropriation of some \$6,000,000,000 for aid to countries abroad?

The answer is this: For the first time in the history of the world a great Nation will, if this foreign aid bill becomes law, attempt to wage peace.

#### WARS BEGET WARS

Waging war is an old, established enterprise among nations. It has brought the greatest glory—and most tragic infamy—known to the history of nations. But wars beget wars, with the language of surrender supplying the vanquished with the text for aggression.

Events of the past few weeks have brought into focus, I believe, the dreadful reality we face. The cycle of war arising from war threatens to repeat—not 20 years hence, 10 years hence, or 5 years hence. It threatens to repeat within a matter of days.

Our course of action can proceed in either of two directions:

First, we can surrender ourselves and our civilization to a terrible, unnecessary pattern of history—we can prepare to fight a war.

Or, secondly, we can discard the dismay and cynicism of the past and assume a new posture of statesmanship: we can prepare to fight the peace.

I chose the course of peace.

This legislation opens the way to the last remaining chance for peace, and I am willing and anxious to try this course.

It is my belief that even if no threat of communism, no threat of aggression existed abroad in this aftermath of World War II, this Nation should take the course presented in this legislation.

#### WE ALONE HAVE STRENGTH TO HELP

The United States is singularly situated in the geography of the world to function as a peacemaker. Surrounded by friendly neighbors and neutral seas, our land has escaped the ravages of war. We, alone among nations, have the strength to help others.

It would be the Christian thing, the humanitarian thing, to lend our strength to reviving the stricken countries of Europe and Asia in the wake of the terrible devastation of war.

But today, in this mad world of ours, there is another consideration which makes this legislation essential.

That is the simple fact of self-preservation. It is a primitive and basic consideration, I agree. But this course of foreign aid is the only course we can take with any hope that it will keep war from us—and from the world.

A sinister and ruthless evil creeps forward across the continent of Europe, feeding on the despair and desolation and hunger of the ravaged nations and the weary people. This evil gnaws at the vitals of freedom everywhere, feeding always on uncertainty and despair.

#### WE SHALL WIN FIGHT FOR PEACE

By sending food, by sending financial aid, by sending faith abroad, we contest with the evil in a battle for peace. If



despair is replaced by faith, if desolation is replaced by construction, if hunger is answered by food—if those things are done, we shall be victors in the battle.

If those things are not done, we shall lose the peace.

I believe that the people of America, for the first time in their history, are now determined to wage peace as successfully as they have waged war in the past.

This legislation is the outgrowth of that determination.

I, for one, am confident that we are taking a great step toward establishing a lasting peace.

#### COLONIES AND ERP

Mr. POWELL. Mr. Speaker, it is impossible to give a proper evaluation of the European recovery program without taking into account the colonial implications and consequences of that proposed program.

Britain, France, Belgium, Netherlands, and Portugal are imperialist powers. They are the rulers of well over two-thirds of the 300,000,000 colonial subjects of Asia, Africa, and the West Indies.

Throughout modern history, the peoples and resources of these lands have been exploited to enrich the ruling class of the colonial overlords. Today that exploitation is carried on by powerful monopoly interests which not only hold the colonial empires in economic serfdom but also block the development of economic democracy in the European countries themselves.

A valid economic aid program for Europe cannot be based, as the administration-sponsored ERP is, upon the continuation of such a system of vested interests.

A valid economic aid program for Europe cannot be based, as the administration-sponsored ERP is, upon continued and intensified colonial exploitation.

America should help the European people to help themselves. The kind of help we are proposing to give under the ERP will simply make the people of Europe more dependent upon the United States and upon the European colonies.

The abject poverty and resultant social stagnation characteristic of all colonial countries are the inevitable consequence of their being held by stronger powers to supply cheap raw materials. The expropriation of their resources and the wealth produced by colonial labor is what keeps colonies poor.

Instead of helping to eliminate this vicious system, the ERP has the effect of perpetuating and strengthening it.

The Outline of European Recovery Program submitted by the Department of State for the use of the Senate Foreign Relations Committee, December 19, 1947, states—page 19—that paragraph (5) of subsection 10 (b) of the proposed economic cooperation bill "is designed to assist the United States wherever feasible to obtain materials for stock-piling purposes. Such materials will be purchased from a participating country or its colonies or dependencies, either through private contracts or through the procedures and with the funds authorized in the Stock-Piling Act. It is intended that arrangements will be worked out with the participating countries for the acquisition

by the United States in the above manner of materials which will be specified in the bilateral agreements."

The meaning of this is made clearer on page 48 of the same document, where we read:

The United States has few or no domestic sources of certain raw materials, such as tin, industrial diamonds, natural rubber, and quinine, and has inadequate resources in other raw materials, such as manganese, chromium, copper, lead, and zinc. \* \* \* United States reserves of exhaustible natural resources are declining. It is proper that in partial return for the very considerable assistance provided them by the United States, the participating countries should give reasonable help in replenishing stocks of materials expected to be in long-term short supply in the United States.

Not all of the participating countries themselves possess sources of such materials. Some among them do, however, have resources of this nature either within their own territory or that of their colonies, territories, or dependencies. In some instances present production and availability is at maximum levels without satisfying commercial demands. In other instances it appears that, under an aggressive plan of exploration, development, and expansion of productive facilities, or by other actions, additional supplies could be produced or made available.

It is further provided that United States loans may be made for procurement of equipment and services to step up the production of the raw materials that the United States wants; and if such loans can not be paid back in dollars when due, they can be paid off in still further quantities of such materials as the United States may want (page 49).

That is the picture of what the ERP means for the colonies of Britain and the other European imperial powers. Not a very pretty picture—all take and no give. What the ERP says in effect is that the European colonies in Africa, Asia, and elsewhere must serve the function that they have always served, but in a bigger and better way than hitherto, for they must now provide the raw material needs not only of their European rulers, but of America as well.

"Go out into your colonies and the far reaches of the world, and tap their riches," Bernard Baruch urged the rulers of empire, in his testimony before the Senate Foreign Relations Committee not long ago. "Produce. You will be able to sell it all."

One remarkable consequence of the current European economic crisis has been the veritable rediscovery of Africa. Last November Sir Stafford Cripps declared that—

The whole future of the sterling group and its ability to survive depend \* \* \* upon a quick and extensive development of our African resources.

Britain's leading Fascist, Sir Oswald Mosley, has shrewdly observed with approval America's desire to get Europe into Africa.

Let Europe develop Africa as a source of supply and exchange for European manufactured goods—

He advises—

and \* \* \* leave America the Western Hemisphere and the larger part of the other world markets.

An official pronouncement somewhat along the same lines was made just 2 months ago, on January 22, by British Foreign Secretary Ernest Bevin and quickly received the approval of the White House and State Department. Little time has been lost in carrying forward Bevin's scheme—if it was indeed his—for the formation of a western European entente having as one of its primary aims the promotion of inter-imperialist collaboration in the intensified exploitation of Africa and other European colonial domains in order to rescue Europe from economic bankruptcy, as well as in joint military preparations in Africa for expected war with the Soviet Union.

For many years General Smuts has held out an invitation to American capital to help in the development of Africa provided there was no "interference in the existing administration of its territories"—*Life*, December 28, 1942. Many others have lately joined in extending this invitation. The ERP is part of the answer. Increasing American trade with and private capital investment in South Africa, Rhodesia, Liberia, and other sections of the continent represent another part of the answer.

The apologists for imperialism, of course, argue that economic development in the colonies is in the interest—nay, primarily in the interest—of the native population, will raise their living standards, and is the prerequisite to self-government.

The fact is that genuine and worthwhile economic development for the benefit of the millions who live in colonies and semicolonial countries is impossible so long as they are denied full democratic self-government—for just so long will the resources and economy of such countries be used and directed toward the benefit of a foreign oligarchy, primarily if not exclusively. The demand for colonial independence sweeping the world is the demand for freedom from economic slavery.

Let us face the truth honestly and admit that the United States Government is today the mainstay of world imperialism. Without American loans and credits; without Washington's political support at Lake Success and in London, Paris, Brussels, and the Hague; and without the ERP or something like it, the European colonial powers would be hard pressed to hold what they have.

In helping Britain, France, Belgium, and the Netherlands to hold on to their empires, Wall Street and Washington aim to keep the far-flung colonial empires, as well as their European rulers as allies against Communist aggression, and incidentally safe for American profits.

I am opposed to the administration's ERP, because it will not help Europe as Europe needs to be helped, because it is a political weapon of coercion and intimidation as everyone can now readily see in the case of Italy, and because, and this has been my main argument, it will further enslave millions of colonial peoples throughout the world, and notably in Africa.

I am one of those who believes that the way to help Europe economically, and not only western Europe, but the whole



of Europe, Asia, Africa, and the whole of this hemisphere, not omitting the 15,000,000 Negro people in the United States who are exploited and discriminated against economically and every other way, is by strengthening the United Nations and making it work to achieve world-wide democracy, security, and peace.

Nothing less than that, and nothing but that, will save America and the world from a devastating third world war.

Mr. KERSTEN of Wisconsin. Mr. Speaker, I believe it is necessary to clarify the provision of the ERP bill relating to the composition of the Public Advisory Board.

Section 107 (a) of S. 2202 as passed by the House provided for the creation of a Public Advisory Board to be "selected from among citizens of the United States of broad and varied experience of business, labor, and agriculture, the professions, and in matters effecting the public interest."

The function of the Board is to "advise and consult with the Administrator with respect to general or basic policy matters rising in connection with the Administrator's discharge of his responsibilities" with regard to the entire ERP program.

Section 107 (a) of the conference report now provides that members of the Board "shall be selected from among citizens of the United States of broad and varied experience in matters affecting the public interest."

In other words, the conferees left out the specific language "in business, labor, agriculture, and the professions."

It is my understanding that in striking out the specific categories of business, labor, agriculture, and the professions, that the conferees did not thereby intend in any way to infer that responsible leaders in business, labor, agriculture, and the professions should not be selected for the Advisory Board. Not only that, but in choosing the language as they did, "citizens of the United States of broad and varied experience in matters affecting the public interest" they necessarily included the categories of "business, labor, agriculture" and "the professions." This would be necessarily so because if the members are to be selected on the basis of matters affecting the public interest such public interest would be seriously neglected if responsible representatives from each of these categories were not selected for the Advisory Board.

While the statement of the managers as contained in the conference report, on page 28, reads that the members are to be selected without reference to economic-interest groups, it is my understanding that the word "reference" means without specifically naming them. Any other interpretation of the word "reference" would be stultifying under the circumstances. Certainly, if members are to be selected who have broad and varied experience in matters affecting the public interest, their experience would have to be in the several economic interest groups referred to. It would be unthinkable that the experience of the members would not be in the economic categories designated by business, labor, agriculture, and the professions. The whole ERP must, of course, be imple-

mented by responsible representatives of these several categories. For example, it certainly is not contemplated that selected members who, while they might have broad experience in certain fields, would be mere theorists in the fields of business, labor, agriculture, or the professions. If that were true, the selection would not be in the public interest.

So therefore I say that the clear understanding of the language, as I take it, is that the members will be selected on the basis of broad experience in business, labor, agriculture, and the professions. Even though the final form of the bill does not so specifically state, any other interpretation would seriously neglect the public interest.

Neither is it contemplated that the council shall be composed of members experienced only in one of these categories. For example, experienced only in business or experienced only in labor or just in agriculture or the professions.

It is clear that the Board must be balanced in this regard because any unbalance would not be in the public interest.

I can understand the conferees in not wishing to specify the categories, although I would have preferred that they did. I can understand that they wish to keep the language general in nature in order to give the Administrator a free hand. But I do not think the Administrator's hand is so free as to disregard in any respect the public interest which would necessitate the selection of responsible representatives in each of these major economic fields as components of the Advisory Council.

It is particularly important that men of sound business experience be on the Council. The ERP is primarily an economic program, and who can conceive of the management of such program without good business management?

It is also vital that the Board contain outstanding representatives of labor. This is extremely important because of the special facts of the problem in Europe. We are seeking in this program to combat communism. The Communists have exerted their greatest efforts upon the European trade-unions. In fact, it was by virtue of taking over the trade-unions and police in Czechoslovakia that they caused the fall of the free government of that country. They are presently working on the trade-unions in Finland. We also know that the Communists will make their major efforts in France and Italy through trade-unions. It is the European trade-unionist who will fulfill the production quotas of the ERP. It is the European worker who will rebuild Europe. Therefore, it is of first importance that the Communist efforts to indoctrinate the European trade-unions be checked and countered by sound trade-union leaders. If, for example, sound trade-union leaders were excluded from the Advisory Board the Communists would make great capital of this fact in their propaganda directed at the European worker. The Communist would say, "The ERP is nothing more than a scheme of American capitalists and big business to take over European industry. The ERP is nothing more than American imperialism wherein the

rights of workers are completely forgotten."

The presence of responsible American trade-union leaders on the Board is of first importance as is the presence thereon of business leaders. American management and labor are working shoulder to shoulder in this effort. Their cooperation in the ERP has already been forcibly expressed in patriotic terms by the leaders of both business and labor.

Perhaps the cooperation between management and labor that has sometimes been lacking in our own country can be strengthened and brought into full bloom in the common effort to resist the destruction of our civilization that is being made in the European recovery program. On March 9 and 10 last, in London there met the trade-union representatives of all the participating countries, except Portugal. Members of the minority, anti-Communist groups from France and Italy, from the Benelux countries, and from our American AFL and CIO unions, participated in the conference. The conference was unanimous in its view that the trade-union movement in each of the participating countries should seek to establish close contact with its government in the administration of their national production program. In other words, in this meeting in London were the representatives of the European trade-unions, together with those from America, voicing their wholehearted support for the success of the ERP. The sound trade-union movement in each country, including the United States, pledged support in behalf of the ERP and for that reason it should have proper representation on the Advisory Board as a matter of public interest.

Similarly, responsible representatives of agriculture must be on the Council, because the acceleration of food products is also of first importance. Any neglect of proper leadership in the field of agriculture would also be against the public interest.

Again the professions, particularly industrial engineering, must be represented as it is largely by the skill of this profession that Europe will be reconstructed.

I trust, therefore, Mr. Speaker, that there will be no misunderstanding as to the intent of Congress in the selection of the members for this Board, because any neglect of men of experience in the separate major categories of economic interest, would be a real neglect of the public interest for which the law provides.

Mr. DEVITT. Mr. Speaker, the committee on conference on the foreign aid bill is to be commended on the expeditious action it has taken in reaching agreement with the Senate.

I was particularly interested in the retention of certain amendments which I offered and which were accepted by the House to section 117 of the bill. I am happy to note that those amendments have been retained in essentially the same form in which they were introduced. I do note a discrepancy, however, between the terminology in subsection C of section 117 and the statement of the managers on the part of



the House with reference to that subsection. It is to be noted from a reading of section 117, subsection C that it is made mandatory for the Administrator to provide for ocean-free freight transportation on relief supplies and packages. This is clear from the use of the word "shall" rather than the use of the word "may." It will be recalled that in the original Senate bill the word "may" was used; however, the managers on the part of the House in explaining this subsection make the statement that "the House recedes on the mandatory requirement" with reference to ocean-free transportation. I am informed by the conferees that this is an erroneous statement and was inserted in the report through inadvertence and mistake. A reading of the section makes it clear that this is the case.

I am also happy to note that the managers have retained in the recommended bill the present last sentence of subsection C of section 117. This provides that—

The Secretary of State, after consultation with the Administrator, shall make agreements where practicable with the participating countries for the free entry of such supplies and packages.

This sentence is essentially in the same words as it was in the original House bill. One sentence was stricken from the House bill. It read:

The execution of such agreements by the participating countries shall be a condition precedent to the receipt of assistance under this title.

I understand that this sentence was stricken from the bill because it was felt that it embodied terminology not as diplomatic as would be conducive to the best international relations, but that the striking of the sentence was not intended to change the intent of the conferees or of the Congress that the Secretary of State shall make such agreements. This view is made manifest by the action of the conferees in retaining the injunction "shall make agreements" as used therein.

I am happy that these provisions have been retained in the bill and feel that they are most meritorious.

**AMENDMENT TO THE EUROPEAN RECOVERY PROGRAM RELATING TO REDUCED POSTAGE FOR GIFT PARCELS OF MEDICINE, FOOD, AND CLOTHING TO FOREIGN COUNTRIES**

Mr. REES. Mr. Speaker, I appreciated the work of the House conferees in retaining in this bill amendments made in the House which will provide for a definite program to carry relief packages at reduced rates to foreign countries. As I pointed out when the House amendment was being discussed, there are some particulars in which we could possibly have spelled out more clearly the actions to be taken by the Administrator in effecting the relief parcel program. However, I believe that as the conference report is written the language is in such general terms that a program can be established which will do the job. I believe that providing reasonable transportation for medicine, food, and clothing to the countries coming within the terms of the European recovery program serves a two-fold purpose:

First, many individuals in this country would like to assist their friends and relatives in foreign lands which have been

ravaged by war; secondly, there probably is no other program which brings the direct hand of friendship across the seas as one which provides for the transmission directly from one individual to another or from a charitable organization to an individual, parcels containing goods essential to life.

The Post Office and Civil Service Committee has been concerned with this general problem as it relates to reduced postage on gift parcels of food, medicine, and clothing. This committee has held public hearings on 12 bills on this subject. Most of these bills provide for either sending such gifts free or upon the payment of 25 percent of the regular postage. The Post Office Department was to be reimbursed for its expenditures for carrying out this program from such funds as were appropriated for foreign relief. It is an expensive form of transportation when parcels are sent by mail. This is particularly true considering the large volume of such parcels which would develop under a reduced postage program.

The volume of international parcel post had already increased immeasurably under the pressure of need of friends and relatives in foreign countries. The volume of this international parcel post has jumped from 25,792,138 pounds in the fiscal year 1939, before the war to the amazing figure of 401,541,067 pounds for the fiscal year 1947, or an increase of 16 times. It is impossible to estimate how much this parcel post will increase if the postage rates are reduced. Various opinions of the Post Office Department experts run from a doubling in volume up.

The committee was concerned at the time of these hearings with a number of problems. The Post Office Department was not set up to handle such a tremendous volume of gift parcels as mail. There is a critical shortage of mail sacks, terminal facilities, and trucks. Many relief and charitable associations have set up programs for forwarding parcels to foreign lands. There was considerable discussion as to what countries would participate in the reduced postage program.

To meet some of these objections I proposed at the hearings held on February 18 substitute language to H. R. 4598, a bill introduced by the gentleman from Michigan, Congressman YOUNGBLOOD, which would have had the following effect: (a) The costly overseas mail operation would have been eliminated by sending the parcels through the mail only as far as the postmaster of New York for parcels for European countries and San Francisco for parcels for Asiatic countries; (b) the Maritime Commission would be authorized and directed to provide ocean-shipping space and be responsible for the parcels from ship-side to such warehouses as might be designated by the United States Foreign Relief Administration; (c) the agency charged with foreign-relief activities of the United States would be responsible for the distribution to the addressees of such gift parcels and would be charged with making maximum use of facilities of the countries concerned in distributing such parcels. This solution to the high cost of sending these relief parcels

is in substance now included in the conference report.

Based upon the many communications the committee received on the subject and the presentations made by Members of Congress, I can assure you that this part of the program will be most acceptable to thousands of our citizens who are anxious to help relieve the situation by sending gift packages abroad.

Mr. MURDOCK. Mr. Speaker, our beloved chairman of the Foreign Affairs Committee states briefly but simply that the momentous issue on which the House is acting at this hour is indeed historic, probably as historic as any that has occurred during the life of this legislative body. I feel that the Chairman is correct and that without doubt his words are prophetic. It is not given to mortal man to know what lies in the future but certainly by our action here today in adopting this conference report America is embarking upon the greatest constructive program to help peace-loving nations which has ever been initiated.

The conference report is to my mind very much better than the measure passed by the House on day before yesterday. I had all along felt that America must do this great thing, but I have had some fears as to whether the program could be and would be carried through according to the wishes of our people. I think the conference report greatly improves the chances of a satisfactory fulfillment of this plan of mutual assistance.

Americans are a great-hearted, generous people. As individuals they contribute freely and whole-heartedly to the relief of distress and human suffering throughout the world. The European recovery program however is a national, governmental effort differing very materially from the individual and private efforts alluded to. Can the Government, acting for all of us, combine typical American generosity and American business sense and successfully carry forward this huge program of rehabilitation? Only the future can tell, but history will record that we made the effort, and for all the centuries to come humanity around the world will know of our intent.

It is natural that America should shrink from the appalling magnitude of this complex task. Not that the American people are indifferent to the plight of other nations, but America lacks experience. The historical significance of this effort is somewhat like the significance of the two global wars which America has successfully fought in the lifetime of this generation. However, in these two world wars America exhibited her strength to the world to crush evil men. In the program we are now undertaking America is determined to equal those previous efforts in this gigantic task of reconstruction and binding up the wounds of war. This must have been in the mind of our chairman as he spoke of the historical significance of our action today. We hope that this marks a new beginning in America's greatness.

Mr. VORYS. Mr. Speaker, this bill constitutes a big order. There are those who are saying that it is inconsistent for us to attempt to wage peace and prepare for war at the same time. There are those who say that it is inconsistent, impossible for us to reduce taxes and carry



the tremendous burdens this country faces. I want to say that I belong to a country that specializes in seeking and reaching apparently inconsistent, apparently impossible, goals. Union and liberty, order and freedom are inconsistent goals. We want both, and we get both. We carry on today in the spirit of the Panama Canal builders.

Got any rivers they say are uncrossable? Got any mountains you can't tunnel through?

We specialize in the wholly impossible, Doing the things that others can't do.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. VORYS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 318, nays 75, answered "present" 2, not voting, 36, as follows:

[Roll No. 40]

#### YEAS—318

Abbott	Davis, Tenn.	Herter
Abernethy	Davis, Wis.	Heseltun
Albert	Dawson, Utah	Hess
Allen, Calif.	Deane	Hill
Allen, La.	Deaney	Hinshaw
Almond	Devitt	Hobbs
Andersen,	D'Ewart	Hoeven
H. Carl	Dirksen	Holifield
Anderson, Calif.	Dolliver	Holmes
Andrews, N. Y.	Domengeaux	Hope
Angell	Donohue	Horan
Arends	Douglas	Huber
Auchincloss	Durham	Jackson, Wash.
Bakewell	Eaton	Javits
Barrett	Eberharter	Jenkins, Ohio
Bates, Ky.	Elliott	Jennings
Bates, Mass.	Ellsworth	Jensen
Battle	Elsaesser	Johnson, Calif.
Beall	Elston	Johnson, Tex.
Beckworth	Engel, Mich.	Jones, Ala.
Bell	Engle, Calif.	Jones, N. C.
Bender	Evins	Jones, Wash.
Blackney	Fallon	Jonkman
Blatnik	Feighan	Judd
Bloom	Fellows	Karsten, Mo.
Boggs, Del.	Fenton	Kean
Boggs, La.	Fernandez	Kearney
Bolton	Fisher	Kearns
Bonner	Flannagan	Keating
Bradley	Fletcher	Kee
Bramblett	Fogarty	Keefe
Brehm	Folger	Kefauver
Brooks	Foote	Kelley
Brophy	Forand	Kennedy
Brown, Ga.	Fuller	Keogh
Bryson	Fulton	Kerr
Buchanan	Gallagher	Kersten, Wis.
Bulwinkle	Gamble	Kilburn
Burke	Garmatz	Kilday
Burleson	Gary	King
Butler	Gathings	Kirwan
Byrne, N. Y.	Gavin	Klein
Byrnes, Wis.	Gearhart	Kunkel
Camp	Gillette	Lane
Canfield	Goff	Lanham
Carroll	Goodwin	Latham
Carson,	Gordon	Lea
Case, N. J.	Gore	LeCompte
Celler	Gorski	LeFevre
Chadwick	Gossett	Lichtenwalter
Chelf	Graham	Lodge
Chenoweth	Granger	Lucas
Clark	Grant, Ind.	Ludlow
Clason	Gregory	Lusk
Coffin	Hale	Lyle
Cole, Kans.	Hall	Lynch
Colmer	Edwin Arthur	McConnell
Combs	Hall	McCormack
Cooley	Leonard W.	McCulloch
Cooper	Halleck	McDonough
Corbett	Hardy	McDowell
Cotton	Harless, Ariz.	McGarvey
Coudert	Harris	McMahon
Courtney	Hart	McMillan, S. C.
Cravens	Harvey	Mack
Crosser	Havener	MacKinnon
Crow	Hays	Madden
Cunningham	Hébert	Mahon
Dague	Hedrick	Maloney
Davis, Ga.	Heffernan	Mansfield

Mathews	Potts	Snyder
Meade, Ky.	Poulson	Somers
Merrrow	Preston	Spence
Meyer	Price, Fla.	Stanley
Michener	Price, Ill.	Stevenson
Miller, Calif.	Priest	Stigler
Miller, Conn.	Ramey	Stockman
Miller, Md.	Rayburn	Sundstrom
Mills	Redden	Taber
Mitchell	Rees	Talle
Monroney	Reeves	Teague
Morrison	Riehlman	Thomas, Tex.
Morton	Riley	Thompson
Muhlenberg	Rivers	Tibbott
Multer	Robertson	Tollefson
Mundt	Rockwell	Towe
Murdock	Rogers, Fla.	Trimble
Murray, Tenn.	Rogers, Mass.	Van Zandt
Murray, Wis.	Rohrbough	Vinson
Nicholson	Ross	Vorys
Nixon	Russell	Wadsworth
Nodar	Sabath	Walter
Norblad	Sadlak	Weichel
Norton	St. George	Welch
O'Brien	Sarbacher	West
Pace	Sasser	Wheeler
Patman	Scoblick	Whitten
Patterson	Scott, Hardie	Whittington
Peden	Scott,	Wigglesworth
Peterson	Hugh D., Jr.	Williams
Pfeifer	Seely-Brown	Wilson, Tex.
Philbin	Sheppard	Winstead
Phillips, Tenn.	Simpson, Ill.	Wolcott
Pickett	Simpson, Pa.	Wolverton
Ploeser	Smathers	Worley
Plumley	Smith, Maine	Zimmerman
Poage	Smith, Va.	
Potter	Smith, Wis.	

#### NAYS—75

Allen, Ill.	Gwinn, N. Y.	O'Hara
Andresen,	Gwynne, Iowa	O'Konski
August H.	Hagen	Phillips, Calif.
Arnold	Hand	Powell
Banta	Harness, Ind.	Rankin
Barden	Harrison	Reed, Ill.
Bennett, Mich.	Hoffman	Reed, N. Y.
Bennett, Mo.	Hull	Rich
Bishop	Isacson	Sadowski
Buffett	Jenison	Sanborn
Busbey	Johnson, Ill.	Schwabe, Mo.
Case, S. Dak.	Johnson, Ind.	Schwabe, Okla.
Chapfield	Johnson Okla.	Scrivner
Church	Knutson	Short
Clevenger	Landis	Smith, Kans.
Clippinger	Larcade	Smith, Ohio
Cole, Mo.	Lemke	Stefan
Crawford	Lewis	Twyman
Curtis	Love	Vail
Dandero	McCowan	Vursell
Dorn	McGregor	Wilson, Ind.
Doughton	Marcantonio	Wood
Ellis	Martin, Iowa	Woodruff
Gillie	Mason	Youngblood
Griffiths	Miller, Nebr.	
Gross	Morris	

#### ANSWERED "PRESENT"—2

Brown, Ohio      Macy

#### NOT VOTING—36

Andrews, Ala.	Hartley	Owens
Bland	Hendricks	Passman
Boykin	Jackson, Calif.	Rains
Buck	Jarman	Regan
Buckley	Jenkins, Pa.	Richards
Cannon	Lesinski	Rizley
Chapman	McMillen, Ill.	Rooney
Cole, N. Y.	Manasco	Shafer
Cox	Meade, Md.	Sikes
Dawson, Ill.	Morgan	Stratton
Dingell	Norrell	Taylor
Grant, Ala.	O'Toole	Thomas, N. J.

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Brown of Ohio for, with Mr. Rizley against.

Mr. Bland for, with Mr. Owens against.

Mr. Richards for, with Mr. Shafer against.

General pairs:

Mr. Buck with Mr. Dingell.

Mr. Hartley with Mr. Rooney.

Mr. Jenkins of Pennsylvania with Mr. Andrews of Alabama.

Mr. McMillen of Illinois with Mr. Jarman.

Mr. Jackson of California with Mr. Cox.

Mr. Stratton with Mr. Chapman.

Mr. Taylor with Mr. Grant of Alabama.

Mr. Thomas of New Jersey with Mr. Cannon.

Mr. BROWN of Ohio. Mr. Speaker, on this roll call I am recorded as voting "yea." I have a live pair with my colleague from Oklahoma Mr. RIZLEY, who if present would vote "nay." I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. VORYS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

#### TAX-REDUCTION BILL

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the tax-reduction bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? There was no objection.

#### VETERANS' LEGISLATION

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent that the Committee on the Armed Services be discharged from the further consideration of the bills H. R. 582, H. R. 3137, H. R. 3808, and H. R. 4580, all of which amend the Soldiers' and Sailors' Relief Act, and that they be referred to the Committee on Veterans' Affairs.

The SPEAKER. Is there objection to the request of the gentleman from New York? There was no objection.

#### ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? There was no objection.

#### CONSENT CALENDAR

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar, which would be in order on Monday, may be called on Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? There was no objection.

#### SIGNING OF ENROLLED BILLS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Tuesday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? There was no objection.



## EXTENSION OF REMARKS

Mr. STRATTON (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD.

Mr. MAHON. Mr. Speaker, on yesterday I asked unanimous consent that the gentleman from Missouri [Mr. CANNON] be permitted to extend his remarks in the RECORD and include the Story of Missouri. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$195.25, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD.

## THE PRESIDENT'S VETO

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, President's Truman's veto of the third tax relief bill needed by our people is wholly without justification. He wants to continue reckless Government spending both at home and abroad. He asked the Congress to spend billions in aiding countries who have themselves given their own people a reduction in wartime taxes. By continuing to oppose a reduction in the cost of government and continuing to oppose tax relief for the American people, he is following a policy which would ultimately stagnate our whole economy and bankrupt the Nation. A strong economy is an essential factor for a proper national defense. He apparently is more interested in the people of Europe than in the American people themselves.

## OLEOMARGARINE

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, I have been longing for this opportunity. This is just to tell the House how much I appreciate the efforts of all the Members who worked so hard to get enough signatures to Discharge Petition No. 12 to have it placed on the calendar, with the hope that the Committee on Rules may have the opportunity to consider the bill H. R. 2245 before the 26th of this month. There are now 218 signatures on the petition. I am pleased to make this information known to the House, and to tell you that the people for whom you worked, the American housewives, through me say that they appreciate your efforts very much.

Mr. COOLEY. If the gentleman will yield, what bill is the gentleman talking about?

Mr. RIVERS. I am talking about the Rivers bill to take the tax off oleomar-

garine. I think everybody in the United States will be happy if that is done.

## EXTENSION OF REMARKS

Mr. KEARNS asked and was given permission to extend his remarks in the RECORD.

Mr. WOLVERTON asked and was given permission to extend his remarks in the RECORD in two instances and include news articles in each.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD in two instances, and include in one a report he made to the gentleman from Minnesota, Representative August H. ANDRESEN, on the potato situation in Chicago and in the other a letter addressed to General Marshall by the combined Americanization committee of the VFW, American Legion, and Catholic War Veterans of greater New York.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD in two instances and include bills he has introduced and an article written by him.

## A JOB FOR EISENHOWER

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, there is a job for Eisenhower. It is not a political job. It is one to which he would respond.

The job is to head a mission which should, in a neutral place, meet a mission from Moscow and seek a basis upon which both Russia and the United States can stop the moves and countermoves which are driving the world toward a terrible abyss.

Dwight Eisenhower would accept a call for such a job. And in it, he would have the confidence of Americans; he would have the respect of the Russians.

It is late, Mr. Speaker. Face-making, name-calling, intrigue, suspicion, and distrust have produced a situation which can have only one end—a war of a kind the world has never before seen. Tension grows. Today Berlin. Tomorrow Vienna. Then Trieste, Greece, Palestine, Korea, China. A war-tired world should not be asked again to endure what war would bring.

The stakes are high. They are not merely peace or war. They are society itself. They are civilization. They are all that mankind has struggled for through thousands of years. An effort should be made to resolve the issues without a war which of itself would destroy much of that for which we would fight and leave us with even more difficult problems.

Dwight Eisenhower would not need to be drafted for this job. In it, he would see the opportunity to serve those who were once his comrades and are now gone as well as those who live and hope to live in a world without war.

Mr. Speaker, I propose that the United States seek a solution to the menacing

situation before the world, and call upon Eisenhower to head our delegation to the meeting.

## ARMY RESERVE PROGRAM

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, the principle underlying our Military Establishment is comparatively small Regular armed forces supported by a well-trained citizenry reserve. This principle was enunciated by Washington and has been reaffirmed by every responsible military leader since, including Eisenhower and Marshall.

Today we are deeply concerned with the effectiveness of our Military Establishment. We are concerned with the condition of our Regular force and we are concerned with the condition of our Reserves.

We have been asked to pass selective-service laws to bring our Regular Establishment up to strength. We have been asked for the passage of universal military training to provide a steady flow of trained men into our Reserve units.

I am a supporter of the principle of universal military training. I believe well-trained, well-equipped Reserve units are vital to our national security. I believe universal military training is necessary to provide a steady influx of trained men into these units.

But we cannot support UMT blindly. We recognize that it will not provide defense in and of itself but only as it contributes to the strength of the civilian components which it supplies. It would be useless to pass this legislation unless we are assured that our Reserve program is a sound, well-managed, and a cohesive part of an intelligent whole.

That is not the case today.

A preliminary investigation on my part convinces me that our Army Reserve program, for instance, is floundering.

Commanders at the troop level in my district tell me that they are receiving little cooperation from the Army in the organization and training of their units, that the units are receiving little or no equipment with which to train and that there seems to be a general lack of intelligent planning in the whole program.

These charges are verified by the results of a recent Nation-wide survey of Reserve Officers Association department presidents by the gentleman from Texas [Mr. TEAGUE].

Only recently, it was necessary for the executive director of the ROA to beg the Committee on Civilian Components set up by the Secretary of Defense for the institution of a sound program. He implored that "what we now have in the way of reserve officers and men be speedily formed into a strong defense force."

In other words, Mr. Speaker, if these conditions exist, the more than one million men now in our Army and Air Force Reserve units are not being properly trained or used. If they exist, there has



been an almost criminal neglect somewhere in our military establishment. If they exist, I warn our Secretary of Defense that his pleas for more men to confuse further a confused program will require considerable clarification before they are accepted by this Congress.

I regret that it is necessary for me, as one who believes in the absolute necessity of universal military training, to object to the enactment of this legislation until we have developed an intelligent, cohesive and workable program that will effectively utilize the men supplied to it. The burden of proof that we have such a program lies, I believe, with the responsible departmental heads.

I include as part of my remarks a letter which I have sent to the Secretary of the Army:

APRIL 1, 1948.

HON. KENNETH C. ROYALL,  
Secretary of the Army,

Washington, D. C.

DEAR MR. SECRETARY: I have been greatly disturbed by reports from Army Reserve unit commanders in Wisconsin.

It is charged that the Reserve officers are receiving little cooperation from the Army in the organization and training of their units, that the units are receiving little or no equipment with which to train, and that there seems to be a lack of intelligent planning in the whole program.

This feeling seems to be general, according to a survey recently conducted by Representative OLIN B. TEAGUE, of Texas. He found that 91 percent of the department presidents of the Reserve Officers Association "claimed that the difficulty with the Organized Reserve Corps of the Army and air services involved either a poorly conceived and executed Reserve program, insufficient Reserve units, both as to number and as to type, lack of proper facilities, or inadequate training equipment."

I believe strongly in well-trained, well-equipped Reserve units. I believe they are absolutely vital to our national security. I have predicated my support of universal military training on the fact that such a program is absolutely necessary in order to provide a steady flow of men into our civilian components. This view is held by others, including the Secretary of Defense, who testified only a few days ago that UMT was needed as part of a "long-term" program, and that it was principally necessary because it will "provide annually for the civilian components of the Regular forces some 850,000 men who will have had basic training."

I am still convinced that UMT is necessary to provide a flow of men into the civilian components of the armed forces. I strongly question, however, the advisability or the logic of channeling more men into a program which suffers from mismanagement, poor planning, lack of equipment, and general neglect. Yet, if the allegations of those at the critical, or troop, level are true, that is exactly what is being asked of the Congress by the Secretary of Defense when he calls for the immediate enactment of UMT.

The purpose of this letter is to pose three questions:

1. Is there any basis for the serious charges that have been leveled at the Army Reserve program?
2. If there is, how did these conditions come about?
3. If there is, what is now being done to correct those conditions?

I will not consider as a satisfactory answer a referral to the Committee on Civilian Components.

To amplify:

I want to know particularly why there should be "a poorly conceived and executed Reserve program," under any circumstances, if such is the case.

I want to know particularly why there should be a lack of training equipment, if such is the case. To quote from a unit commander in my district, "We (the government) can give tanks and guns to civilian organizations to plant on their courthouse lawns; we can issue equipment to high-school ROTC units; we can give tons of uniforms to be sold by War Surplus, and yet the ORC has a hard time getting one paper clip per 1,000 men."

I want to know particularly:

1. The number of officers and men in the ORC, the number being effectively used, and the number assigned to each type of unit (A, B, and C).

2. The number of Reserve units of each class, the number fully equipped according to plan, the number partially equipped, and the number with no equipment.

3. The funds assigned to Army Reserve program for the fiscal years 1947, 1948, and 1949, including the amount requested by the Army, the amount allowed by the President, and the amount appropriated by the Congress.

I want to know particularly if there is any restriction upon the efforts of a unit commander to expand his unit. To quote from a unit commander in my district, "I asked to be allowed to expand my unit, which I could do; I was told 'No,' and that 'we (the Army) have placed the matter on our project list.'"

I will be vitally interested in your reply. I regret that it is necessary for me to ask these questions—3 years after the end of World War II and during a period when a cohesive, intelligent, and well-organized armed force was never needed more.

Yours very truly,

JOHN W. BYRNES,  
Member of Congress.

#### EXTENSION OF REMARKS

Mr. FULLER asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. Thomas E. Dewey.

Mr. ROBERTSON asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the United States News written by David Lawrence and also to include an editorial in the second instance.

#### THE SHOE INDUSTRY

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BATES of Massachusetts. Mr. Speaker, today the House gave final approval to the bill calling for expenditure of over \$6,000,000,000 for European recovery. The purpose of the bill was to assist in the rehabilitation of the 16 nations of western Europe in order that we might find some way of setting up a barrier to the onward march of communism that threatens not only the democratic nations of Europe, but also threatens the democratic nations of the world,

as well as the economy of those nations. Behind the iron curtain today, there are 10 nations. All of them have already embraced the Communist program including Czechoslovakia. In the consideration of our trade agreements we have always been dealing with nations whose system of government were entirely democratic and whose enterprises were entirely free, private, and independent. The industries of Czechoslovakia today have been nationalized, including the great Bata's shoe industry which employs over 15,000 people and according to the report I had last year produced over 33,000,000 pairs of shoes. This is the very industry which gave such great competition in 1939 to the shoe industries in our part of the country and which were deluging our markets and destroying our industry, causing the closing down of our factories and causing depression. Mr. Speaker, I hope that the President and the State Department will recognize the situation that now exists in their consideration of the trade agreements that are now being considered.

It seems quite ridiculous for us to be spending billions of dollars of American money to help the democratic nations of Europe to resist the spread of communism while at the same time, if we approve the trade agreement, we are opening up the American market for Communist-made products with which they can get the American dollars to strengthen their economy and to further the cause of communism in the European area.

It just does not make sense.

GENERAL EISENHOWER

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCCORMACK. Mr. Speaker, I listened with a great deal of interest to the remarks and suggestions of the gentleman from South Dakota [Mr. CASE]. The people of the country have complete confidence in General Eisenhower. I think if there were less talk about his being a candidate for President under the emblem of this or that party, it would be much better for him and he would feel happier. Certainly any such thinking as that is what I would call "desperation thinking," and must be based upon the fact that General Eisenhower did not mean what he said some weeks ago when he announced that he would not be a candidate. In my opinion, he seeks to adopt a role so that during the trying years to come, he may speak with a powerful voice to the people of America from a completely detached and independent position, rather than being identified with either political party.

In relation to the remarks of my friend, it seems to me, and I agree with him on the basic premise that everything should be done to try to bring about peace, as I say it seems to me that we have shown the people of the world to-



day by our vote that without regard to party affiliations, where the national interest of this country is involved, we speak with unmistakable voice; and even those who voted against the bill will unhesitatingly vote to bring into operation the power of America if and when they think it is necessary to do so. It seems to me that on the higher level, the level of the President himself and Stalin, there should be a meeting. On three occasions President Truman has offered to meet with Stalin. As I understand it, Stalin has promised to come to Washington. President Truman, on three occasions, has publicly invited him. I do not think he will restrict himself to Washington. I do not think that should be done. On the other hand, we have shown the intent on the part of America, as evidenced by the vote in this House today, as well as in the other body, that we are primarily concerned with the national interest of the United States, and we seek peace for the world now and in the future. We hope that peace will result from our efforts. But peace can only be brought about by understanding, and any such meeting as discussed should be on the higher level, between the President of the United States and Stalin himself.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. McCormack] has expired.

#### SPECIAL ORDER GRANTED

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that at the conclusion of the business on the Speaker's desk today, and any other special orders, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. Hobbs]?

There was no objection.

#### FEDERAL AID FOR GENERAL EDUCATION

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Speaker, on yesterday the Senate passed by the impressive vote of 58 to 22, the bill providing for Federal aid to the States for general education, as distinguished from vocational education. The enactment of this measure by the House and its signing by the President would mark the most progressive piece of social legislation enacted so far by the Eightieth Congress.

Recently I voted for an additional appropriation for the work of the Un-American Activities Committee, in suppressing communism and other subversive movements. In my humble opinion, the enactment of this bill for aid to education would do more than any other one thing to stop the spread of alienisms in the United States.

Moreover, in my opinion it would do more to help the States settle their own racial and class problems than could ever be done by the enactment of laws intended to force the States to settle their problems according to some pre-

conceived ideas of so-called reformers and do-gooders.

Education can bring to all classes and races a better understanding of their mutual problems, and more tolerance and enlightenment to their solution.

Is it too much to hope that the Committee on Education and Labor will report this bill favorably to the House, and that the Rules Committee will give it a place on the House calendar?

Senator SPARKMAN has called this bill "the Marshall plan for American children." Will we be one-twentieth as generous with our own children as we have been with the peoples of the world?

The SPEAKER. The time of the gentleman from Georgia has expired.

#### EXTENSION OF REMARKS

Mr. BROOKS asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include an editorial dated March 31 from the Shreveport Journal and in another an editorial on March 21 from the Shreveport Times.

#### THE TAX BILL DOUBLES THE BURDEN ON THE TAXPAYERS; BREAKS FAITH WITH GOVERNMENT BONDHOLDERS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. Patman]?

There was no objection.

Mr. PATMAN. Mr. Speaker, I hope every person interested in the tax bill will read the veto message of President Truman. To my mind it is absolutely unanswerable. I do not criticize any person who voted the other way, but I could not in good conscience vote any other way except than to sustain the veto, for the reason that I would feel I was breaking faith with the millions of American citizens who have purchased United States Government bonds. The passage of that bill will, to my mind, weaken the security behind United States Government bonds. We should pay those bonds in good honest dollars. We should have sound money. We should not return to deficit financing, and I am afraid we will if that bill becomes law. It is inflationary.

This bill, instead of relieving the taxpayers of a burden, imposes additional taxes. We could pay \$5,000,000,000 on the national debt and stop that much interest. By the time long-term Government bonds are paid, we pay as much in interest as we pay in principal. Therefore, it is doubling the burdens upon the taxpayers of this country.

The SPEAKER. The time of the gentleman from Texas has expired.

#### THE TAX BILL

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the record on the bill H. R. 4790, the tax bill passed today.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, we were called upon today to make a decision which will have an important bearing on the welfare of this country. These are grave and critical times. We must make every effort to buttress democracy throughout the world. Mere talk will not save the countries which are even now teetering on the brink of communism. They must be helped to the best of our ability and they must be shown that we mean to prepare for the defense of our way of life.

The tax reduction bill which the President has vetoed, if finally enacted into law, will weaken the country's financial strength by \$5,000,000,000 a year. We cannot reduce taxes by this huge sum and, at the same time, provide the funds required for the Marshall plan, for military preparedness, and for an adequate installment on the public debt.

Sponsors of H. R. 4790 argue that they will vote to increase taxes if and when it is required. Our requirements for large amounts of revenues are immediate needs. The House has already authorized the expenditure of over \$4,000,000,000 in the next fiscal year for the rehabilitation of democratic countries throughout the world. The President has requested further increases in expenditures to pay for universal military training, selective service, and modernization of our Air Forces. Increased payments to veterans amounting to several hundred million dollars have been authorized by the Congress. A temporary cost-of-living increase in the pay of Government workers is under consideration. All these funds are required now, not in some distant future. I can only conclude from the arguments of the sponsors of H. R. 4790 that, should taxes be increased after H. R. 4790 is passed, the increase would not be borne by the high-income groups who benefit so handsomely from the provisions of this bill.

The individual income-tax provision of H. R. 4790 would reduce the tax of a family of four by \$90 if it has a net income of \$3,000, by \$157 if it has a net income of \$5,000, by \$501 if it has a net income of \$10,000, by \$3,046 if it has a net income of \$25,000, by \$16,658 if it has a net income of \$100,000, and by \$69,536 if it has a net income of \$1,000,000. In these critical times when the need for funds is so great, the tax reduction to the highest-income families is unwarranted.

Aside from the inequities contained in the individual income-tax provisions of the bill, there are outrageous hand-outs to the wealthy families who are subject to the estate and gift taxes. In total the estate and gift tax liabilities are reduced by 30 percent. In particular cases the tax reduction accruing to some wealthy individuals will amount to even greater percentages. In effect, the estate and gift splitting device incorporated in the bill will raise the estate-tax exemption from \$60,000 to \$120,000, and the gift-tax exemption from \$30,000 to \$60,000.

These windfalls are justified by the sponsors of H. R. 4790 on the ground that they are required for tax equalization. It is obvious that to the sponsors of H. R.



4790 the term "tax equalization" is synonymous with huge windfalls for the wealthy.

I ask the sponsors of H. R. 4790, who say that they will vote for the increased taxes if they should be required by the grave international situation and difficult economic circumstances at home, whether they are prepared to restore the taxes on the wealthy which they have reduced so drastically by H. R. 4790?

The President's veto message clearly stated the reasons for rejecting H. R. 4790. Tax reduction would encourage inflation and would bring greater hardship to our people. Tax reduction endangers the soundness of our national finances at a time when we must shoulder heavy responsibilities for the maintenance of peace in the world. Moreover, tax reduction in accordance with the provisions of H. R. 4790 means windfalls to the wealthy.

H. R. 4790 cannot be justified on any ground. International, economic, fiscal, and equity consideration demand that the President's veto of this bill be sustained.

#### STATEMENT ON VETO OF THE TAX BILL

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. DINGELL] may extend his own remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DINGELL. Mr. Speaker, it has been appropriately observed that H. R. 4790 should be entitled "An act to borrow money and reduce taxes." The public debt is now \$253,000,000,000. By July 1, 1948, it will be further reduced to about \$251,000,000,000. Yet, if this tax bill becomes law, as I understand the President, even if the most favorable economic conditions and revenue receipts are assumed, the public debt as of July 1, 1949, will be at least \$252,000,000,000, or one billion greater than at the beginning of the preceding fiscal year.

To try to hide this fact, the majority party has inserted in the foreign-assistance bill a fiscal sleight-of-hand provision calling for a paper transfer of \$3,000,000,000 of 1949 expenditures under the European recovery program against 1948 revenues.

The bald truth, however, cannot be so easily evaded. How would the Republicans juggle the governmental accounts in 1950 to cover up their shortages?

The honest answer is to admit to the American people that heavier expenditures are now a realistic necessity. Increased benefits to veterans, assistance to foreign countries, and authorized appropriations to bring the armed forces up to authorized and proper strength, as the President has stressed, all cry for maintenance of present tax levels. Other proposals, such as deserved salary raises for Federal employees, would mean an increase in the President's budget. He now estimates that these additional programs already confronting Congress would result in an increase in expenditures of at least \$3,500,000,000 above the January estimates. For 1950 the increased ex-

penditures from these programs will total \$5,500,000,000.

Mr. Speaker, I insert at this point a break-down in summary of these additional expenditures not contained in the President's budget:

#### INCREASE IN 1949 EXPENDITURES SET FORTH IN PRESIDENT'S TAX MESSAGE

In the veto message on the tax bill, the President stated that expenditures for 1949 would probably be \$3,500,000,000 higher than the original estimate. These major increases which now appear probable are as follows:

For foreign aid, because of increases in the aid program for China, Greece, and Turkey.....	\$400,000,000
For employees' pay (which amount is lower than the cost of either the bill reported by the Senate committee or the House subcommittee).....	500,000,000
Tax refunds under the tax bill.....	500,000,000
For legislation which increased veterans' allowances.....	150,000,000
For additional expenditures for Army, Navy, and Air Force, as outlined in the President's letter of April 1.....	1,700,000,000
For increased expenditures for UMT and selective service....	300,000,000
Total.....	3,550,000,000

What the expenditure requirements may be for 1950 nobody can predict with any degree of certainty. The importance of keeping the tax structure at present levels, however, should be evident to anyone who has seen estimated expenditures jump from \$39,700,000,000 in January to \$43,200,000,000 less than 3 months later.

And in 1950 there will be no surplus from a preceding fiscal year from which the Government may borrow to meet current needs. Even the sharpest accounting practices will be of no avail.

Mr. Speaker, I want to emphasize H. R. 4790—the bill to borrow money and reduce taxes—should not have been passed.

#### SPECIAL ORDER GRANTED

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on Wednesday next, after the legislative program of the day.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### EXTENSION OF REMARKS

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the Appendix of the Record and include a newspaper article.

Mr. DEANE asked and was given permission to extend his remarks in the Record in two instances and to include extraneous matter.

Mr. BRYSON asked and was given permission to extend his remarks in the Record and include a telegram, together with his reply.

Mr. FORAND asked and was given permission to extend his own remarks in the Record.

Mr. LICHTENWALTER (at the request of Mr. HALLECK) was given per-

mission to extend his own remarks in the Record.

Mr. GWINN of New York asked and was given permission to extend his remarks in the Appendix of the Record and include an article from the American Slovakian newspaper.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the Record and to include a recent newspaper article from the Binghamton (N. Y.) Sun.

Mr. HUBER asked and was given permission to extend his remarks in the Record and include a letter.

#### VETO OF THE TAX BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, one of the principal grounds of the President for vetoing H. R. 4790 is that world conditions are so unsettled as to make necessary vast new expenditures for military preparedness and for increased international commitments. I appreciate full well the gravity of our relations with the Soviet Union. I know that expenditures may have to be increased to expand the Air Forces and to build up the armed services to the authorized strength. But I am convinced, whatever the revenue requirements of the Federal Government may be, that the tax bill vetoed by the President provides a sounder basic framework upon which to levy additional taxes.

H. R. 4790 is a tax-revision bill in two important respects: First, it eliminates the long-standing discrimination against married persons residing outside the community-property States. Under this discrimination a married couple in North Carolina with net income before personal exemption of \$5,000 earned entirely by the husband pays \$38 more in taxes than does a married couple with similar income residing in the State of Texas. The North Carolina couple with an \$8,000 income pays \$190 more in taxes; a \$50,000 couple pays \$6,071 more; and the lucky \$500,000 couple pays \$23,921 more. I contend that this discrimination is intolerable.

I introduced a bill in the first session of the present Congress to eliminate the problem, and even stated that I would never vote for another general tax bill that did not correct this discrimination.

Second, in view of the present high cost of living, it seems to me that a \$600 personal exemption represents a minimum level of subsistence below which the Government should not go in collecting taxes. It is my understanding that increasing the personal and dependency exemption from \$500 to \$600 per capita will remove from the rolls about 6,000,000 of the lowest-income taxpayers.

Since over half of the loss in revenue resulting from this bill is utilized in the establishment of a more equitable tax structure, I believe that it should be enacted regardless of what the prospective expenditures of the Government may be. If tax rates later have to be in-



creased to avoid deficit financing, this eventuality can then more safely and equitably be met by the Congress.

The President in none of his three veto messages, so far as I can recall, has recommended the elimination of the discrimination under present tax laws in favor of married persons residing in community-property States and against married persons in common-law States. Anyone assuming to advise Congress on tax matters who does not recognize this discrimination and recommend a correction, does not carry much weight with me on tax matters.

#### EXTENSION OF REMARKS

Mr. HARDY asked and was given permission to extend his remarks in the RECORD.

#### RELIGION OR ATHEISM

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, a few minutes ago a gentleman addressed the House on the subject of aid to education, stating that that bill would be a great means of combating communism. In that regard, as a Member of the Committee on Education and Labor, I wish to remark concerning what I conceive to be a tragic decision of the Supreme Court in the McCollum case, in which the Court makes it impossible for our educational system to provide for any kind of general religious instruction for our public-school children.

When we realize, Mr. Speaker, that the main issue involved in the world today is the great basic issue of atheism as against belief in God; realizing that Lenin himself said that communism is coextensive with atheism, and that that is the real issue today. When we have a situation in our country where our highest Court states that the children of our country cannot receive any kind of general religious education by fair arrangement, then there is something wrong with our educational system when it does not prepare our children to meet this challenge that is being presented to the American people. So I say we should do something about that if we can, and we must do something about it if we are effectively to meet the challenge that faces the United States today in combatting communism. Our educational system can be realistic only if it affords our children the means of discovering the knowledge whereby the sophistry of communism can be overcome.

#### CONSUMPTION OF GRAIN BY DISTILLERIES INCREASES WHILE FOOD AND FEED SUPPLIES BECOME SHORTER

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, on numerous occasions I have called attention to the excessive amount of grain consumed by

the distillers, that is so much needed for food. I have introduced legislation to stop the use of grain to distillers for a period of a year, and have pointed out that there is a supply on hand of distilled spirits to last for 3 or 4 years. In any event, the least that should be done is to limit the amount of grain for distilleries during a shortage of grain for food and for feed for livestock. It was suggested by those who did not want to impose controls that the distilleries might impose their own controls. Of course, the distilleries are not interested in reducing the use of corn that is needed for food and for feed for livestock.

Let us take a look at what has been done with reference to this matter since the first of the year.

Controls on grain to distillers expired on January 31. On February 9, the Joint Committee on the Economic Report voted unanimously to recommend the extensions of these controls, and in doing so said:

It is estimated that the United States should endeavor to export at least 500,000,000 bushels of wheat from the crop harvested in 1947. A study of the available grain supplies in the United States as compared with the essential domestic and export requirements indicates that there can be no relaxation in our efforts to conserve grain. Although the domestic wheat crop in 1947 was 212,000,000 bushels greater than the domestic wheat crop in 1946, the current domestic and foreign demands are so great that, after providing for the carry-over of reserve stocks of wheat as of June 30, 1948, of 150,000,000 bushels required by law, only 450,000,000 bushels of wheat will be available for export in the absence of further conservation measures. The corn crop in 1947 was 850,000,000 bushels less than in 1946. Other feed grains are in extremely short supply. The amount of wheat which will be available for export will depend to a considerable extent upon the supplies of other grains available for feed, for if other grains are not available for feed, farmers will find it necessary to feed greater quantities of wheat to livestock.

The saving from allocation and inventory control of the distilling industry, estimated at 30,000,000 bushels of whole grain a year (22,000,000 bushels through October 31, 1948), will make a material contribution to the supply of grain available for essential domestic and export requirements.

The committee is convinced that the shortage of grain is sufficiently evident to warrant restricting nonessential users. That, with the present large stocks of whiskey, no more than a minimum addition in stocks could be justified at the present time; and that the situation cannot be solved by voluntary agreements under the provisions of Public Law 395. While the distillery industry uses corn grain primarily, it is our expectation that limitations would save an equivalent amount of wheat for human consumption.

This is a report of an unbiased committee attempting to get at the facts. It was issued in February. So far as I am able to ascertain, no action is being taken with regard to it.

Now, let us take a look at what has taken place in the meantime. During the month of February this year, distillers consumed 6,000,000 bushels of grain. It was corn and barley, mostly corn. On the 1st of February, they had on hand 513,898,216 tax gallons of distilled spirits. It is 60,000,000 gallons more than they had on hand a year ago.

They produced 9,489,000 tax gallons of alcohol during January 1948 and consumed 1,700,000 bushels of needed grain in doing it. This was under the restriction of 2,500,000 bushels enforced by the Secretary of Agriculture under a law passed by Congress in December; under which the Secretary deducted excess grain they used in October.

I am informed today by officials in the Department of Agriculture that during the month of March just ended, the distillers consumed more than 8,500,000 bushels of grain produced by the farmers of this country. This grain is needed for food and for feed for livestock. So, it appears, in 2 months' time 14,500,000 bushels of grain has gone to increase an already oversupply of distilled spirits, while livestock goes to market unfinished for meat purposes because of shortage of corn. If we had controls we could have saved at least 9,000,000 bushels of this grain. I have noticed that distillers say the leavings, after they have taken the best part of the corn, is good for feed. A rather poor excuse, I think.

Mr. Speaker, because of a short production of corn last year thousands of cattle were marketed before they were fattened for meat slaughter. Corn was too scarce and too high for farmers to use it to finish the livestock as they should. So prices of meat and meat products were also higher. There is a scarcity of corn in the country right now.

Corn is the ideal animal feed. Every bushel taken out of market makes the scarcity more acute. When grain is easily obtainable farmers increase their flocks of chickens and herds of cattle. Right now farmers are not increasing flocks of chickens. This will be felt later in less egg production and high prices, and there will be less meat.

There are fewer cattle on feed than a year ago.

Mr. Speaker, we are in a bad situation. We talk of stock piles of strategic materials. At the outbreak of World War II we had on hand large stocks of industrial alcohol. The stock pile of industrial alcohol has deteriorated from 200,000,000 gallons in 1943 to 21,000,000 gallons. This is only enough to last 10 days for manufacture of rubber and other synthetics. Here is something else. We have no grain stock pile aside from 150,000,000 set aside by Congress. In the face of all this our available supplies are going to distilleries.

Here is another thing that might be of interest. Russia's best secret weapon is food grain. Russia is offering wheat and other grain to non-Communist countries of Europe in order to build friendly relations. A supply of food to people in need will accomplish more to cultivate friendship than anything else. We know that. Mr. Speaker, in view of the commitments this Congress made in approving the European recovery program, that calls for a drain on our resources—especially food—it seems to me that to permit this precious food to go to distilleries is utterly inexcusable. The most important strategic material in the world is food. We had better begin to protect its supply, and do it now.

The SPEAKER. Under previous special order of the House, the gentleman



from Alabama [Mr. HOBBS] is recognized for 30 minutes.

"IN GOD WE TRUST"

Mr. HOBBS. Mr. Speaker, most of us, if not all, agree cordially with our beloved friends the gentleman from Massachusetts [Mr. McCORMACK] and the gentleman from South Dakota [Mr. CASE] when they plan to avert war and preserve our Nation. But I believe there is another question of transcendent importance which must be answered solemnly, in that connection: Should we not see to it that our Nation continues to be worth preserving?

I have the highest regard for the Supreme Court of the United States, and for the ability and integrity of each one of the members of that Court, but I believe that they, as freely as any other American citizen, will admit they are not infallible. So, without being too critical, may I not speak of the necessity of making sure that this Nation's religious life is safe, and that the words of a decision about which our colleague the gentleman from Wisconsin [Mr. KERSTEN] has just spoken, may not be misunderstood as seeking to weaken the power that has made and preserved us a Nation, the author of liberty—our fathers' God.

Mr. Speaker, it was not until 1940 that the Supreme Court clearly enunciated the doctrine that the fourteenth amendment of our Constitution imposed on the States the duty required of Congress by the first amendment, that became a part of the Constitution in 1791. Mr. Justice Roberts, in *Cantwell v. Connecticut* (310 U. S. 296), held that the words of the first amendment: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof"; embraced "two concepts—freedom to believe and freedom to act."

The two latest decisions, however—the *Everson* and the *McCullum* cases—go so far beyond all former decisions as to cause the fear, if not the certitude, that the effect will be to destroy every mark that characterizes this a Nation dedicated to God, and to freedom of worship. That is why I have today struck at the root of the evil by introducing a House joint resolution repealing the fourteenth amendment. The reason that impels me to introduce that resolution stems entirely from these two latest Supreme Court opinions on this subject. I believe that it is necessary to cross that bridge once more. There are none who contend that the fourteenth amendment has fulfilled its intended mission. I know of no voice of respectable authority or standing in this Nation that has ever so contended. It has failed utterly of its intended mission, and what has happened now is that under that amendment the United States Supreme Court has upheld the erroneous claim that the States are interdicted by the first amendment, and also that the first amendment means that which was never intended. I believe that the time has come for us to acquit ourselves like men, and be strong, and face this issue squarely and to a conclusion. I want to call attention to just a few truths that are self-evident. I believe that the nub, the epitome, the essence of our problem, is this:

Our forefathers came here for the priceless privilege of worshipping God, not for the purpose of ignoring Him; the essence of the religious philosophy of the United States of America has always been the absolute guaranty of freedom of religion, never of freedom from religion. God Almighty has never here been pushed from His throne.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am always delighted to yield to the gentleman from Massachusetts.

Mr. McCORMACK. Not only freedom of religion, but the freedom to exercise one's religious conscience, which is very important.

Mr. HOBBS. And the corollary of that statement which I have just made—at the suggestion of my dear friend—is equally true. As Mr. Justice Roberts said in the *Cantwell* case, twin pillars of religious freedom; or as George Washington said, the two pillars of our safety are morality and religion, and he is vain and foolish who thinks that morality can long survive without religion. Yes, the first amendment of the Constitution says that Congress shall pass no law establishing a religion—a national church. That means giving no religion preference over any other; and the corollary, nor prohibiting to any man, woman, or child the free exercise thereof, according to his or her own conscience.

Now then, I want to call your attention very briefly in my concluding remarks to these thoughts: Our forefathers appointed a committee to design what some call our sign and seal. But, Jefferson, Franklin, and Adams were the three members of that great committee that labored to give us our sign and seal to display to the world. And, what was that? It was the American eagle. And, in reporting that decision, why did they select the American eagle? They referred to the Book of Books where, in Exodus, God said:

Ye have seen what I did unto the Egyptians, and how I bare you on eagles' wings, and brought you unto myself.

Now therefore, if ye will obey my voice indeed, and keep my covenant, then ye shall be a peculiar treasure unto me above all people—for all the earth is mine.

That was the first covenant promise, and Adams, Jefferson, and Franklin chose that as the symbol that on eagles' wings God had borne our forefathers across the flood of the Atlantic, just as He had through the Red Sea brought His first chosen people, and claimed the covenant promise which was then made by God, for this successor Nation, because we loved and revered and worshiped Almighty God.

Early we declared a day of thanksgiving to God for the first harvest that had blessed us.

So must our American eagle be struck for our currency. The pillar of cloud by day and of fire by night must be wiped off our original dollar bills, designed by that same committee, referring to the leadership they hoped and prayed for to direct this Nation all through its history. He is blind who cannot see that leading. The later, "In God we trust." Later still, the all-seeing eye of God, whereby

we proclaimed on our great seal the fact that we wanted our Heavenly Father to keep us in mind and in His sight.

Then, if we follow the logic of those decisions, you will have to wipe out the oaths that have been required in our courts of every witness.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be delighted to yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman is making one of the finest and most philosophical speeches I have ever heard in this Chamber. In connection with the motto on our coins, "In God we trust," I think it well to make a part of my friend's remarks a conversation I had 8 or 9 years ago with the late Franklin D. Roosevelt. During the course of that conversation he made a remark to me that made a profound impression on me and has never left my mind. My friend's remarks brings it back, and I repeat it on this occasion because I think it is very pertinent to the very fine speech the gentleman is now making.

At that time we were talking about communism and the late Franklin Delano Roosevelt in quoting part of a conversation he had with the Ambassador of another country said, "I said to the Ambassador that the journey that the United States takes is shown on the motto of our coins, 'In God we trust,' and I hope no neighboring country is taking any other journey because it would be considered an unfriendly act."

Mr. HOBBS. I thank the gentleman.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am so happy to yield.

Mr. KERSTEN of Wisconsin. I wish to compliment the gentleman for the very fine speech he is making. I am in thorough accord with what he says. Does not the gentleman also believe basic to our very philosophy of government is that phrase in our Declaration of Independence which recognizes that all of our rights are derived from our Creator and not from any state or political system and that it is only by that type of philosophy that we can maintain our form of government as distinguished from all these other totalitarian states and other such forms of statism where the dictator and the state bestow rights upon the people? Does the gentleman agree with that?

Mr. HOBBS. I certainly do, sir; and I believe more. I believe that the rank and file of the House of Representatives and everyone in our country believe implicitly that God is in His Heaven, although all is not right with His world. We believe that He still leads; and were it not so, if we were dependent upon our own frail minds and our own capacities there is not a one of us who would dare serve in this body. We believed that long before the Declaration of Independence was written. But I am delighted that you brought that to my mind. I agree with you, absolutely.

Now, Mr. Speaker, let me hurry on to my conclusion. Not only will oaths in court be stricken down, but when you come to qualify a witness of tender years, in every civilized land there has always



been this criterion: "Do you know God? Do you know about hell and heaven? Do you know about future blessedness and future punishment?" Those children have no hesitancy in answering that question ordinarily. But the point I am making is that if the fears that have been expressed by many are justified, we are on dangerous ground, and we will exclude some of the most wonderful witnesses that any of us who have ever worked in court know. They are the youth of our land, the young who are disqualified except by showing a knowledge of God and His truth and His promise of future reward and punishment. Then of course we will wipe out our compulsory religious exercises at Annapolis and West Point. We would wipe out every chaplain in our Army and Navy and every chaplain who has ever graced this stand here and in the other body. We have no right, so some think the meaning of this decision is to be, to mention the name of Almighty God. Shall we go back to paganism and make this a pagan Nation? This Nation, founded under God and dedicated to Him, and which he has led all through the blessed days of our 150 years?

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be so happy to yield to the gentleman from Massachusetts.

Mr. McCORMACK. The very origin of our way of life, our civilization, as the gentleman from Wisconsin [Mr. KERSTEN] mentioned a few minutes ago in the colloquy with the gentleman from Alabama, the very origin of democratic institutions of government, starts in God Himself; in the belief of the people in God. It is immaterial what our denomination may be, whether Catholic or Protestant or Jew, we believe in one God; whether it is God the Father; God the Father and Son; or God the Father, Son, and Holy Ghost. That is the origin of our civilization. Every civilization has its origin in some religious belief. Communism is anti-God, and that is a religious origin from a negative, destructive angle; but it is a religious origin. Every civilization that has ever existed or ever will exist will have an origin in some higher belief, whether the higher belief is in a double negative or otherwise. But ours is affirmative, and our very institutions of government and the very fact that we are here today in this Chamber—we would not be here unless the origin of our civilization was in God Himself.

May I say there are too many people who are afraid to publicly talk about God. My mind goes back over 150 years of the existence of this body. In the early days I can see men rising and professing their love of God. It would be better for us if we had more like the gentleman from Alabama in these days, who are willing to talk about God and to apply his truths to our everyday life. We would all be much better off.

Mr. HOBBS. I thank the distinguished gentleman.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am happy to yield to the gentleman.

Mr. JOHNSON of Oklahoma. I am enjoying the remarks which the gentleman is making, but I just want to be sure in my own mind that I am getting the full import of it. What is there in the McCollum decision that disturbs the gentleman, that there is a threat to religious freedom? The gentleman mentioned two things, freedom to believe and freedom to act in pursuance thereof; freedom to worship any way you want to. What is there in that decision that disturbs the gentleman?

Mr. HOBBS. I am so glad the gentleman asked that. I will be delighted to answer him. It is because this lady, in seeking injunctive relief that she prayed for in her bill, does not claim that she was refused the right to use the classroom of the schools of Illinois to teach her boy or to have him taught at her own expense that there is no God. She does not claim that. In fact, the testimony given in the trial by herself and her son, shows there was no embarrassment, but rather they were proud of the fact that they were atheists. So that negatives another mudsill factor in the decision. But what worries me in this decision is that it grants the injunction she sought.

Mr. JOHNSON of Oklahoma. Her point was, as I remember it, that when she went to the public school she felt she did not want to be taught a class in religion.

Mr. HOBBS. Oh, I beg the gentleman's pardon.

Mr. JOHNSON of Oklahoma. I am asking for information.

Mr. HOBBS. I am delighted that the gentleman is pursuing that line of interrogation because I am so happy to answer it.

No; the Champaign plan pursued in the schools there did nothing of the kind. No one could go to any class of religious instruction without the written consent of his parents. The only thing that was complained of was that her boy, according to the rules of the school, devoted his study period to the study of, let us say, mathematics, or English, during the time that those children whose parents had requested such instruction by a priest, a rabbi, or a Protestant minister, paid by the people of their communion, were being taught those things in other classrooms. In other words, there was no compulsion, there was no attempt even to influence this McCollum boy, and he so swore.

Mr. JOHNSON of Oklahoma. But, mark you, the effect of it was to deny to others the right to voluntarily have those exercises.

Mr. HOBBS. Oh, no, sir. Such voluntary classes as any believer might wish to set up for his or her offspring was perfectly free to use a separate school-room.

My answer, summing up, is that I maintain that from the earliest dawn of our history it has been the right of a sovereign people who are the only king in our democracy to use the facilities of the schools for any kind of meeting they cared to put them to; and this is all that

the Champaign plan is, the legitimate use, never before condemned, where the elements of constitutional accord are as clear as they are here.

All I am contending is that any State should have the right which was freely granted long before the Revolution and for a hundred years afterward.

These decisions are based on this one major premise, if I read them correctly, Thomas Jefferson's quoted statement that there must be a wall of separation between church and State. We all agree with that if it be understood to mean what Jefferson meant. But Jefferson, himself, when he made that statement in a private letter to a friend, later explained it, and when he was regent of the University of Virginia, which he created, he asked for religious instruction according to tenets of the different sects in the classrooms of the University of Virginia.

So, the basis of these two decisions seems erroneous, but with the utmost respect, we may be wrong in our interpretation, I say we tread on dangerous ground when we think further that in addition to all these other elements of danger that I have mentioned you must strike down Sunday. What right have we to say to a devout Jew who pays a license to the city to run a store: "You have got to close down on Sunday." He worships the same God, and believes in his religion just as firmly as anybody. He follows his faith and closes on Saturday. What right have we to close his store on Sunday, and to deny him that privilege which we licensed him to exercise? We know the answer of the *Frolichstein* case, but these recent Supreme Court decisions are based upon entirely different grounds.

It means that we have got to give up our Christian Sabbath. It means that we have got to surrender our Sunday, and in addition to that Christmas must go. There is another thing many of us have overlooked. We have got to cease exempting religious bodies from taxation. There is no escape from that conclusion, as it has been held many times that exemptions are the equivalent of appropriations. If you are excused from paying your ad valorem share of the tax burden, some other taxpayers must pay more than their share.

Mr. Speaker, those are some of the dangers we face. May God grant us the power to answer them and the answer I am proposing is simply to free the States again, as they were in the first hundred years of this Government, from the shackles of that tyranny from which our system of dual sovereignties was supposed to keep the States free.

The SPEAKER. The time of the gentleman from Alabama has expired.

CALENDAR WEDNESDAY BUSINESS  
DISPENSED WITH

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of committees in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.



## EXTENSION OF REMARKS

Mr. ALLEN of California (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD.

## SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 472. An act to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; to the Committee on Education and Labor.

S. Con. Res. 46. Concurrent resolution providing for the printing of additional copies of Senate Report No. 986, on Labor-Management Relations; to the Committee on House Administration.

## ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 56 minutes p. m.), under its previous order, the House adjourned until Tuesday, April 6, 1948, at 12 o'clock noon.

## MOTION TO DISCHARGE COMMITTEE

JANUARY 14, 1948.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII I, Hon. L. MENDEL RIVERS, move to discharge the Committee on Agriculture from the consideration of the bill (H. R. 2245) entitled "A bill to repeal the tax on oleomargarine," which was referred to said committee February 26, 1947, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. L. Mendel Rivers.
2. Thomas G. Abernethy.
3. Joseph R. Bryson.
4. Walter B. Huber.
5. Melvin Price.
6. W. M. (Don) Wheeler.
7. John J. Riley.
8. John L. McMillan.
9. Abraham J. Multer.
10. Thomas S. Gordon.
11. Vito Marcantonio.
12. Arthur G. Klein.
13. Frank M. Karsten.
14. Edward A. Garmatz.
15. Glen B. Johnson.
16. Toby Morris.
17. W. J. Bryan Dorn.
18. M. M. Redden.
19. Frank W. Boykin.
20. Michael A. Feighan.
21. Thomas J. Lane.
22. Porter Hardy, Jr.
23. Carl Albert.
24. J. P. Richards.
25. John Lesinski.
26. W. D. Mills.
27. Herman P. Eberharter.
28. Laurie Battle.
29. Robert E. Jones, Jr.
30. Carter Manasco.
31. E. C. Gathings.
32. Otto E. Passman.
33. George A. Smathers.

34. Hale Boggs.
35. Louis Ludlow.
36. J. Hardin Peterson.
37. Albert Rains.
38. W. G. Stigler.
39. Prince H. Preston.
40. Robert Crosser.
41. Henry D. Larcade, Jr.
42. John D. Dingell.
43. John J. Kennedy.
44. A. Leonard Allen.
45. George P. Miller.
46. Franck R. Havenner.
47. Aime J. Forand.
48. John E. Fogarty.
49. Harold D. Donohue.
50. Frank Buchanan.
51. Henderson Lanham.
52. Preston E. Peden.
53. Andrew L. Somers.
54. Dwight L. Rogers.
55. John Bell Williams.
56. Emanuel Celler.
57. Harry R. Sheppard.
58. Tom Murray.
59. Orville Zimmerman.
60. James C. Davis.
61. Arthur Winstead.
62. Joe Hendricks.
63. George G. Sadowski.
64. Clark W. Thompson.
65. Augustine B. Kelley.
66. Chet Holifield.
67. Helen Gahagan Douglas.
68. Leo Isacson.
69. Edward J. Hart.
70. Jamie L. Whitten.
71. Walter A. Lynch.
72. Emory H. Price.
73. Carl Vinson.
74. Sol Bloom.
75. E. Wallace Chadwick.
76. Charles K. Fletcher.
77. Ellsworth B. Buck.
78. Gordon Canfield.
79. E. H. Hedrick.
80. Wright Patman.
81. Chester E. Merrow.
82. Harry L. Towe.
83. T. Millet Hand.
84. Charles B. Deane.
85. Clifford P. Case.
86. Brooks Hays.
87. Ken Regan.
88. E. A. Mitchell.
89. Philip J. Philbin.
90. Sam Hobbs.
91. Georgia L. Lusk.
92. Bob Sikes.
93. Thomas L. Owens.
94. John W. McCormack.
95. James C. Auchincloss.
96. Gordon L. McDonough.
97. Mary T. Norton.
98. Overton Brooks.
99. William J. Miller.
100. William T. Byrne.
101. Frederick A. Muhlenberg.
102. John McDowell.
103. A. J. Sabath.
104. Thomas E. Morgan.
105. Francis E. Walter.
106. Cliff Davis.
107. Oren Harris.
108. Thomas J. O'Brien.
109. George W. Sarbacher, Jr.
110. John J. Delaney.
111. Cecil R. King.
112. Fadjo Cravens.
113. E. E. Cox.
114. Robert M. McGarvey.
115. J. Frank Wilson.
116. Claude I. Bakewell.
117. George H. Fallon.
118. A. C. Powell, Jr.
119. W. F. Norrell.
120. Harold F. Youngblood.
121. S. O. Bland.
122. Edward J. Elsaesser.
123. James E. Van Zandt.
124. James G. Fulton.
125. Mitchell Jenkins.
126. Charles A. Buckley.
127. O. C. Fisher.
128. Richard B. Vall.
129. W. Howes Meade.
130. James J. Heffernan.
131. Jacob K. Javits.
132. Donald L. O'Toole.
133. George H. Bender.
134. James P. Scoblick.
135. John S. Wood.
136. Fred E. Busbey.
137. W. G. Andrews.
138. J. E. Rankin.
139. Hardie Scott.
140. William M. Colmer.
141. John C. Kunkel.
142. Robert J. Twyman.
143. John A. Carroll.
144. Mike Mansfield.
145. Ray J. Madden.
146. A. Sidney Camp.
147. Martin Gorski.
148. Richard Nixon.
149. Franklin J. Maloney.
150. Homer A. Ramey.
151. Carl Hinshaw.
152. Ellsworth B. Foote.
153. Harvey Tibbott.
154. Hugh D. Scott, Jr.
155. Richard J. Welch.
156. William E. Hess.
157. Charles H. Elston.
158. H. A. Coffin.
159. John Davis Lodge.
160. Mike Monroney.
161. Fred A. Hartley, Jr.
162. Charles R. Clason.
163. Joseph L. Pfeifer.
164. Ivor D. Fenton.
165. Eugene J. Keogh.
166. James Gallagher.
167. Christian A. Herter.
168. Roy Clippinger.
169. Frank A. Mathews, Jr.
170. David M. Potts.
171. Donald W. Nicholson.
172. James Domengeaux.
173. Herbert C. Bonner.
174. Margaret Chase Smith.
175. Homer D. Angell.
176. John E. Lyle.
177. Robert J. Corbett.
178. William L. Dawson.
179. W. R. Poage.
180. Omar Burleson.
181. Lindley Beckworth.
182. Milton H. West.
183. Lyndon B. Johnson.
184. Rolla C. McMillen.
185. Jere Cooper.
186. Paul Brown.
187. Olin E. Teague.
188. J. T. Patterson.
189. Frances P. Bolton.
190. J. W. Trimble.
191. Sam Rayburn.
192. Samuel K. McConnell, Jr.
193. Clair Engle.
194. John R. Murdock.
195. George Mahon.



196. John H. Kerr.
197. A. L. Bulwinkle.
198. Albert Thomas.
199. E. G. Rohrbough.
200. J. Percy Priest.
201. L. H. Gavin.
202. Estes Kefauver.
203. J. Vaughan Gary.
204. C. Jasper Bell.
205. Charles A. Wolverton.
206. Albert L. Reeves, Jr.
207. W. J. Crow.
208. Carl T. Durham.
209. Graham A. Barden.
210. William M. Whittington.
211. A. M. Fernandez.
212. F. Edward Hébert.
213. John W. Flannagan.
214. W. M. Abbit.
215. Harold D. Cooley.
216. Hamilton C. Jones.
217. Ed Gossett.
218. Wingate H. Lucas.

This motion was entered upon the Journal, entered into the CONGRESSIONAL RECORD with signatures thereto, and referred to the calendar of motions to discharge committees, April 2, 1948.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1436. A communication from the President of the United States, transmitting his proposal with regard to a permanent Reorganization Act of 1945 (H. Doc. No. 590); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1437. A letter from the Secretary, Department of the Air Force, transmitting a draft of a proposed bill to establish the Office of the Inspector General, United States Air Force, and for other purposes; to the Committee on Armed Services.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REES: Committee on Post Office and Civil Service. Report on survey and study of the postal service filed pursuant to House Resolution 176; without amendment (Rept. No. 1656). Referred to the Committee of the Whole House on the State of the Union.

#### CHANGE OF REFERENCE

Under clause 3 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 582) to amend the Soldiers' and Sailors' Civil Relief Act of 1940 so as to guarantee to persons after their period of military service certain rights with respect to employment; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

A bill (H. R. 3137) to provide that the Soldiers' and Sailors' Civil Relief Act of 1940 shall not apply to divorce proceedings; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

A bill (H. R. 3808) to make inapplicable to future actions and proceedings section 200 (1) and (2) of the Soldiers' and Sailors' Civil Relief Act of 1940, relating to default judgments; Committee on Armed Services dis-

charged, and referred to the Committee on Veterans' Affairs.

A bill (H. R. 4584) to provide that the Soldiers' and Sailors' Civil Relief Act of 1940 shall not apply to divorce proceedings; Committee on Armed Services discharged, and referred to the Committee on Veterans' Affairs.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIRKSEN:

H. R. 6106. A bill to amend the act of December 20, 1944, to provide for the issuance, without examination, of licenses to certain persons to engage in business; to the Committee on the District of Columbia.

By Mr. KEARNEY:

H. R. 6107. A bill to amend part I and part II of Veterans' Regulation No. 1 (a), as amended, to increase death compensation rates for dependents of deceased war veterans and to increase peacetime disability and death compensation rates to 90 percent of the wartime rates; to the Committee on Veterans' Affairs.

By Mr. MULTER:

H. R. 6108. A bill to equalize income-tax revenues, and for other purposes; to the Committee on Ways and Means.

H. R. 6109. A bill to terminate certain wartime and other excise-tax rates; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 6110. A bill to permit the landing of halibut by Canadian fishing vessels to Alaskan ports, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COLMER:

H. R. 6111. A bill to repeal the war-tax rate on toilet preparations; to the Committee on Ways and Means.

H. R. 6112. A bill to repeal the war-tax rate on certain admissions; to the Committee on Ways and Means.

By Mr. MURRAY of Wisconsin:

H. R. 6113. A bill to transfer certain land in Langlade County, Wis., to the United States Forest Service; to the Committee on Agriculture.

By Mr. PACE:

H. R. 6114. A bill to amend title I of the Bankhead-Jones Farm Tenant Act, as amended, so as to increase the interest rate on title I loans, to provide for the redemption of nondefaulting insured mortgages, to authorize advances for the preservation and protection of the insured loan security, and for other purposes; to the Committee on Agriculture.

By Mrs. ROGERS of Massachusetts:

H. R. 6115. A bill to authorize assistance to certain veterans in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. WOLVERTON:

H. R. 6116. A bill to amend the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BATTLE:

H. R. 6117. A bill to increase the compensation of new employees in the field service of the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HOBBS:

H. J. Res. 364. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. KLEIN:

H. J. Res. 365. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

By Mr. POTTS:

H. J. Res. 366. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. J. Res. 367. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

By Mr. GAMBLE:

H. Res. 519. Resolution authorizing the printing of additional copies of the factual analysis on housing entitled "Housing in America" for the use of the Joint Committee on Housing; to the Committee on House Administration.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States with respect to a change in the Federal internal-revenue laws relating to traffic in alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ALLEN of California introduced a bill (H. R. 6118) for the relief of the widow of Frank E. Chaffin, which was referred to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1718. By Mr. ANDREWS of New York: Resolution adopted by the religious and adult education committees of the First Unitarian Church of Buffalo, N. Y., beseeching the Congress to formulate and pass as rapidly as possible appropriate measures to implement the recommendations of the report of the President's Committee on Civil Rights entitled "To Secure These Rights," and pledging full cooperation in the abolition of prejudice and the promotion of civil liberties in their own church and lives; to the Committee on the Judiciary.

1719. By Mr. BAKEWELL: Petition of the House of Representatives, State of Missouri, petitioning Congress of the United States to create and maintain Jefferson Barracks as a national park; to the Committee on Public Lands.

1720. By Mr. ELSTON: Petition of Mary E. Schulte and 17 other residents of Cincinnati, Ohio, supporting passage of legislation to reduce postal rates on relief packages mailed to worthy and needy peoples of European countries; to the Committee on Post Office and Civil Service.

1721. Also, petition of Jeanne Schiller and 30 other residents of Cincinnati, Ohio, urging support of legislation to provide for universal military training; to the Committee on Armed Services.

1722. Also, petition of Bernard J. Nabershaus and 17 other residents of Cincinnati, Ohio, urging the passage of legislation to reduce postage on relief packages mailed to certain European countries; to the Committee on Post Office and Civil Service.

1723. By Mr. LeCOMPTE: Petition of Miss Inez Dell Auld, Kirkville, Iowa, and members of the Kirkville Methodist Church School, in the interest of the Capper bill, S. 265, and H. R. 4983 to prevent the use of the facilities controlled by the Federal Government in advertising alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

1724. Also, petition of Miss Inez Dell Auld, Kirkville, Iowa, and members of the Kirkville Methodist Church School, in the interest of



the Stratton bill, H. R. 2910, to permit the entrance of 100,000 displaced persons to the United States each year over a 4-year period; to the Committee on the Judiciary.

1725. By Mr. SMITH of Wisconsin: Resolution by Wisconsin Conservation Commission, opposing House Joint Resolution 78 and any or all subsequent bills or resolutions of a similar nature designed to create additional channels for the entertainment and commercial broadcasting service by any means which would decrease the number of channels assigned to the mobile emergency service or render those channels unusable through cross interference; to the Committee on Interstate and Foreign Commerce.

1726. By the SPEAKER: Petition of the clerk of the Municipal Council, Unalaska, Alaska, petitioning consideration of their resolution with reference to the restoration of mail and freight and passenger service for the Alaska Peninsula; to the Committee on Post Office and Civil Service.

1727. Also, petition of Emma E. Harris and others, petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

## SENATE

TUESDAY, APRIL 6, 1948

(Legislative day of Monday, March 29, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God, who hast made of one blood all the nations of mankind, so that all are kinsmen, forgive the selfishness that ignores the ties which Thou hast established.

We pray today for the people of Italy that they may be guided in the grave decisions they shortly must make.

May Thy will be done in that ancient land.

Save Thy people there from intimidation and coercion, and give them the courage of true faith in democracy that they may be free.

May we in this free land esteem more highly our liberties, in the light of the price others are called upon to pay. For Jesus' sake. Amen.

### THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of Friday, April 2, 1948, was dispensed with, and the Journal was approved.

### ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on April 3, 1948, he presented to the President of the United States the enrolled bill (S. 2202) to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States.

### MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 3, 1948, the President had approved and signed the act (S. 2202) to promote world peace and the general welfare, national interest, and foreign policy of the United States through economic, financial, and other measures necessary to the maintenance of conditions abroad in which free institutions may survive and consistent with the maintenance of the strength and stability of the United States.

### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4167) to authorize the States of Montana, North Dakota, South Dakota, and Washington to lease their State lands for production of minerals, including leases for exploration for oil, gas, and other hydrocarbons and the extraction thereof, for such terms of years and on such conditions as may be from time to time provided by the legislatures of the respective States, and it was signed by the President pro tempore.

### EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

### SUPPLEMENTAL ESTIMATE—DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION (S. DOC. No. 141)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, Bureau of Reclamation, amounting to \$3,000,000, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

### PROPOSED PROVISION PERTAINING TO EXISTING APPROPRIATION FOR DEPARTMENT OF JUSTICE (S. DOC. No. 140)

A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Department of Justice, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

### EXTENSION OF PROVISION OF GOVERNMENT CORPORA- TION CONTROL ACT TO FEDERAL HOUSING ADMINISTRATION

A letter from the Administrator of the Housing and Home Finance Agency, transmitting a draft of proposed legislation to amend the Government Corporation Control Act to extend the provisions of that act to the Federal Housing Administration (with an accompanying paper); to the Committee on Banking and Currency.

### TRANSFER BY NAVY DEPARTMENT OF A SUB- MARINE CHASER TO ADMIRAL BILLARD ACADE- MY, INC.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Admiral Billard Academy, Inc., of New London, Conn., had requested the Navy Department to transfer a submarine chaser to that academy for use in training students; to the Committee on Armed Services.

### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the President pro tempore and referred as indicated:

A joint resolution of the Legislature of the State of California; to the Committee on Interstate and Foreign Commerce:

#### "Senate Joint Resolution 11

"Joint resolution relative to California wildlife conservation program

"Whereas the State of California has appropriated the sum of \$9,000,000 to initiate a program dedicated to the conservation of the wildlife of the State; and

"Whereas there are at present no United States Government funds available to defray its cost of cooperation with said program of the State of California; and

"Whereas the wildlife of the State of California represents an important part of the resources of the United States and its conservation is of great importance to the Nation as a whole; and

"Whereas there now are pending in the Federal Congress two bills; that is, H. R. 3802, introduced by Congressman KERSTEN, and H. R. 107, introduced by Congressman LEA, which bills must be enacted before said California wildlife conservation program may become fully effective: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully urges and memorializes the Congress of the United States to enact H. R. 3802 and H. R. 107; and be it further

"Resolved, That the secretary of the senate be directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Armed Services:

#### "Assembly Joint Resolution 3

"Joint resolution relative to memorializing the President and the Congress of the United States in relation to the retention of the National Guard under State control

"Resolved by the Assembly and the Senate of the State of California (jointly), That the President and the Congress of the United States are hereby respectively urged and memorialized to continue the existence of the National Guard as now organized, and to oppose all plans for the amalgamation and combination of the National Guard with other organized reserves of the United States which would result in removing the National Guard from State control; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Post Office and Civil Service:

#### "Assembly Joint Resolution 9

"Joint resolution relative to memorializing Congress to provide a wage increase for postal-service employees

"Whereas the United States postal employees constitute an essential, loyal, and large group of workers throughout the United States; and

"Whereas the present salaries of such employees are inadequate to meet the increased cost of living and to maintain a standard of living commensurate with the dignity, the duties, and the responsibilities of public servants; and